

ITEM 1 - COVER PAGE

FORM ADV PART 2A AND 2B: FIRM BROCHURE



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This Firm Brochure (“**Brochure**”) provides information about the qualifications and business practices of Waud Capital Partners, L.L.C. (referred to herein as “**Adviser**” or “**WCP**”). If you have any questions about the contents of this Brochure, please contact Mark Flower at (312) 676-8425 or mflower@waldcapital.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.

WCP is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (“**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

ITEM 2 MATERIAL CHANGES

Since WCP's last annual Brochure filing on March 30, 2016, while not material, WCP has updated language in Items 5 and 11 to reflect the current operations of the Adviser.

Pursuant to SEC rules, WCP provides clients and their limited partners a summary of material changes to its Brochure within 120 days of the close of WCP's fiscal year. WCP may provide further disclosures about material changes as deemed necessary. Additionally, WCP will provide to clients and their limited partners a new Brochure as necessary, without charge. WCP's Brochure may be requested by contacting Mark Flower, Chief Compliance Officer, at (312) 676-8425 or mflower@waudcapital.com.

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ITEM 4 **ADVISORY BUSINESS**

Firm Description

Founded in 1993, Waud Capital Partners, L.L.C. (referred to herein as “**Adviser**” or “**WCP**”) and its related entities are a Chicago-based private equity firm that partners with exceptional management teams to acquire or create platforms in the U.S. lower middle market through control oriented growth equity investments, industry consolidations, buyouts or recapitalizations. WCP targets businesses in large, growing, fragmented markets within the healthcare services and business and technology services sectors. WCP seeks companies that generate strong cash flow and can be grown both organically and through follow-on acquisitions.

WCP currently manages four limited partnerships (collectively referred to herein as the “**WCP Funds**”) with combined limited partner capital commitments (“**Commitments**”) of \$1.7 billion: Waud Capital Partners, L.P. (“**Fund I**”); Waud Capital Partners II, L.P., Waud Capital Partners QP II, L.P. and Waud Capital Partners FIF II, L.P. (collectively, “**Fund II**”); Waud Capital Partners III, L.P., Waud Capital Partners QP III, L.P. and Waud Capital Partners FIF III, L.P. (collectively, “**Fund III**”); and Waud Capital Partners IV, L.P., Waud Capital Partners QP IV, L.P. and Waud Capital Partners FIF IV, L.P. (collectively, “**Fund IV**”). More information about the WCP Funds is available in WCP’s Form ADV Part 1, Schedule D, Section 7.B.(1).

The WCP Funds are private equity funds that invest through negotiated transactions in operating entities. WCP’s investment advisory services to the WCP Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments, and achieving dispositions for such investments. Investments are made predominantly in non-public portfolio companies, although investments in public portfolio companies are permitted. The senior investment professionals of WCP and/or affiliates of WCP serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over the management of portfolio companies held by the WCP Funds.

WCP’s investment advisory services for the applicable WCP Fund are detailed in the relevant private placement memoranda (each, “**Private Placement Memorandum**”), limited partnership agreements (each, “**Partnership Agreement**”) and subscription agreements (together, the “**Governing Documents**”) and are further described in Item 8. WCP provides investment advisory services to the applicable WCP Fund through its affiliated general partner entities (collectively, “**WCP Fund GPs**”), each of which is registered under the Advisers Act pursuant to WCP’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the WCP Fund GPs, which operate as a single advisory business together with WCP, and unless the context otherwise requires, references in this Brochure to “**WCP**” should be construed to mean the relevant WCP Fund GP and/or its affiliates and their respective personnel. More information about the WCP Fund GPs is available in WCP’s Form ADV Part 1, Schedule D, Section 7.A.(1).

Limited partners in a WCP Fund participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. WCP Fund GPs have entered into side letters or other similar

agreements with certain limited partners that have the effect of establishing rights under or altering or supplementing the applicable Partnership Agreement.

WCP also manages co-investment vehicles that facilitate co-investments in portfolio companies of the WCP Funds. WCP currently manages two types of co-investment vehicles: one type includes certain WCP Fund limited partners investing in a single WCP portfolio company (“**WCP Fund Co-Invest Vehicles**”), which is managed by the relevant WCP Fund GP of the relevant WCP Fund. The second type of co-investment vehicle includes only WCP senior management employees or WCP affiliated persons (i.e., no third-party investors) investing on a side-by-side basis with the WCP Funds in the same portfolio companies as its relevant WCP Fund (“**WCP Employee/Affiliate Co-Invest Vehicles**” and together with the WCP Fund Co-Invest Vehicles, “**WCP Co-Invest Vehicles**”). More information about these co-investment vehicles is available in WCP’s ADV Part 1, Schedule D, Section 7.B.(1).

As of December 31, 2016, WCP had regulatory assets under management of approximately \$1.8 billion, all of which are managed on a discretionary basis in WCP’s sole discretion. This calculation includes regulatory assets under management for all WCP Funds and WCP Co-Invest Vehicles as of December 31, 2016.

Principal Owners

The WCP Fund GPs are owned by Reeve B. Waud, his related entities and other WCP senior management employees. WCP is ultimately owned and controlled by Mr. Waud. For more information about WCP’s owners, please see WCP’s Form ADV Part 1, Schedule A.

ITEM 5 FEES AND COMPENSATION

In general, WCP and WCP Fund GPs receive a management fee and carried interest allocation in connection with its investment advisory services.

Management fees, generally, are paid by each WCP Fund and WCP Fund Co-Invest Vehicle to its respective WCP Fund GP on a semi-annual basis (each, “**Management Fee Period**”) and are payable as of a date (each such date, “**Management Fee Payment Date**”) five days following the commencement of the relevant Management Fee Period, billed partially in arrears for the first five days and in advance for the remainder of the period. While the WCP Fund is in its commitment period (typically a length of six years after the effective date of the WCP Fund), the management fee will be a percentage per annum of the aggregate Commitments. The percentage per annum for Fund III and Fund IV is equal to 2.0% and for Fund II is equal to 2.5%. Effective upon the commencement of the reduction period, generally upon the first Management Fee Payment Date after the expiration of the commitment period, the management fee will be reduced. For Fund III and Fund IV, the reduced fee will be 2.0% per annum of the aggregate amount of investment contributions with respect to investments that have not been disposed of less the aggregate amount of permanent write-downs of investments, as designated by the relevant WCP Fund Investment Committee, that have not been disposed of. For Fund II, the reduced fee will be 2.5% per annum of the aggregate investment and cost contributions, less the aggregate amount of distributions constituting a return of investment and cost contributions.

The WCP Fund Co-Invest Vehicles' management fees generally are equal to or lower than the management fee rate charged to the applicable WCP Fund. The specific management fees charged to each WCP Fund or WCP Fund Co-Invest Vehicle are described in each WCP Fund's or WCP Fund Co-Invest Vehicle's Governing Documents. Fund I is no longer paying management fees.

Limited partners in WCP Funds will receive a reduction in management fees with respect to all placement agent fees paid, if any, and organizational expenses (discussed below) paid in excess of a maximum amount as specified in the relevant Governing Documents.

No management fee is payable by the WCP Employee/Affiliate Co-Invest Vehicles, as investors in the WCP Employee/Affiliate Co-Invest Vehicles are comprised of only senior management employees or affiliated persons of WCP and do not include any third-party investors.

In addition to the management fee, the WCP Funds will pay all fees, costs, expenses, liabilities and obligations relating to each WCP Fund's activities, investments and business ("**Partnership Expenses**") that are not reimbursed by a portfolio company (which reimbursements may be for travel (including in some cases, where appropriate, private air travel) and any other expenses incurred in connection with such portfolio company), including: (i) all fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of a WCP Fund's investments, including follow-on investments and refinancings (including payments of principal, interest and fees on money borrowed by or on behalf of the WCP Funds, compensation for services provided by the Operations Group (defined below) or any member thereof, transfer or registration fees and expenses and brokerage, finder's, custodial and other fees and expenses); (ii) all legal, accounting, administration, auditing, travel (including, where appropriate, private air travel), consulting (including consulting and retainer fees paid to the Operations Group (or any member thereof) or an Executive/Operating Partner (defined below), consultants performing investment initiatives and other similar consultants), insurance (including directors and officers, errors and omissions liability and other insurance), broker, finder's, financing commitment fees, real estate title, survey and appraisal costs, printing, custodian, depository, transfer, registration and other similar fees and expenses; (iii) expenses incurred in connection with third-party valuations; (iv) fees, costs and expenses associated with the preparation or distribution of each WCP Fund's financial statements, tax returns, tax estimates, Schedule K-1s or any other administrative, regulatory or other WCP Fund-related reporting or filing obligations; (v) cost and expenses of the board of advisors and annual meetings of the limited partners and any other meeting with any limited partner(s); (vi) extraordinary costs and expenses (such as litigation, indemnification, judgments and settlements, if any); (vii) out-of-pocket fees, costs and expenses incurred in connection with transactions not consummated (including travel expenses), and with regard to Fund II and Fund III, including such expenses incurred on behalf of any WCP Employee/Affiliate Co-Invest Vehicles or any other co-investment vehicles; with regard to Fund IV, WCP Employee/Affiliate Co-Invest Vehicles will bear their pro rata share of such fees, costs and expenses including any other co-investment vehicles fees, costs and expenses; and (viii) any taxes, fees or other governmental charges levied against the WCP Fund.

In certain circumstances, one WCP Fund or WCP Co-Invest Vehicle may pay an expense common to multiple WCP Funds or WCP Co-Invest Vehicles (e.g., legal expenses for a transaction in which all such WCP Funds participate), and be reimbursed by the other WCP Funds or WCP Co-Invest Vehicles for their share of such expense, without interest.

Each WCP Fund was also responsible for the organizational and start-up fees, costs and expenses (“**Organizational Expenses**”) for raising the WCP Fund, up to a maximum amount as specified in each WCP Fund’s Governing Documents. Organizational Expenses include all actual out-of-pocket expenses (including travel, printing, legal, capital raising, accounting, regulatory compliance, any administrative or other filings, financial advisory fees and expenses and other organizational expenses) incurred in connection with the organization, funding and start-up of the WCP Fund, the WCP Fund GP and any affiliated management company, including the preparation of, and negotiations with respect to, the Governing Documents. In connection with the fundraising for Fund IV, WCP retained the services of a financial advisor whose fees were included in the Organizational Expenses for Fund IV.

WCP will bear its own expenses in connection with maintaining and operating its offices (such as compensation of its employees, rent, utilities and general office expenses, other than, for the avoidance of doubt, compensation and any related direct or allocable overhead expenses associated with Operations Group Services (discussed below) and secondment of WCP personnel in certain circumstances).

WCP and WCP Fund GPs provide certain management, advisory, transaction-related, financial advisory and other services for, and receive fees from, current or prospective portfolio companies of the WCP Funds, including fees in connection with mergers, acquisitions, follow-on acquisitions, refinancings, public offerings, sales and similar transactions. WCP and WCP Fund GPs are permitted to retain advisory fees, administration fees, consulting fees, directors’ fees, transaction closing fees, breakup fees, commitment fees and any other similar fees from, or on behalf of, WCP Funds portfolio companies (collectively, “**Service Fees**”), although applicable WCP Fund management fees may be offset by a portion of the Service Fees received, as set forth in the Partnership Agreement of the applicable WCP Fund. In connection with these services, a portfolio company reimburses WCP for expenses (including, without limitation, travel and out-of-pocket expenses) incurred by WCP in performing these services for such portfolio company and such reimbursements are not subject to any management fee offset.

WCP has engaged independent senior operating executives (“**Operating Partners**”) to assist in researching, identifying and providing recommendations regarding target markets, market segments and companies for potential acquisition or investment. Pursuant to written arrangements, Operating Partners are typically compensated by WCP through service payments prior to an acquisition and/or a transaction fee upon the closing of an acquisition and these service and/or transaction fee payments become a reimbursable deal expense upon the closing of the acquisition. Upon the successful acquisition of a portfolio company, an Operating Partner generally becomes an executive officer of the portfolio company and/or serves on such portfolio company’s board of directors. Compensation for these services is paid directly by such portfolio company. An Operating Partner may invest directly in the portfolio company. Additionally, an Operating Partner may be entitled to a portion of profits pursuant to a portfolio company incentive equity and/or option plan or from the profits of the WCP Funds and WCP Co-Invest

Vehicles' investment in the portfolio company. The payments by portfolio companies to the Operating Partner are considered compensation to the Operating Partner and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

In addition, WCP has engaged independent senior executives ("**Executive Partners**"), with extensive industry experience within WCP's key industry sectors to augment WCP's industry experience during the investment process. The Executive Partners play an active role working with WCP Fund portfolio companies within key sectors and serve on such portfolio companies' boards of directors. Executive Partners are paid directly by each portfolio company as a member of the board of directors and may invest in these portfolio companies directly or through a WCP Employee/Affiliate Co-Invest Vehicle. Additionally, Executive Partners may be entitled to a portion of profits pursuant to these portfolio companies' incentive equity and/or option plans. The payments by portfolio companies to Executive Partners are considered compensation to the Executive Partners and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

WCP has created an operations group (the "**Operations Group**") comprised of non-investment professionals employed or retained by WCP or any of its affiliates primarily to provide consulting services to any current or prospective portfolio company of the WCP Funds and/or to support WCP and/or its investment professionals in connection with their activities in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. The consulting services and/or support may include, among others, sales, marketing, technology, portfolio company industry compliance, human resources, human capital management, acquisition integration/rationalization and/or other operational services, acquisition or other due diligence or similar services ("**Operations Group Services**"). Operations Group Services fees and reimbursable expenses are Partnership Expenses to be paid and/or reimbursed by the WCP Funds, WCP Co-Invest Vehicles or any alternative investment vehicle and/or any current or prospective portfolio company of the WCP Funds (with the approval of the portfolio company's management team), provided, that, in each case, such services and/or support are provided at a cost no greater than the cost that would be charged by an unaffiliated third party for comparable services and/or support. Such fee compensation may include, among others, consulting and retainer fees, an equity interest in a portfolio company or a profits interest pursuant to a portfolio company incentive equity and/or option plan or from the profits of the WCP Funds, WCP Co-Invest Vehicles or any alternative investment vehicle's investment in the portfolio company. For Operations Group Services provided, the Operations Group charges fees for such services and/or support at agreed upon rates (rates are determined by category or level of service provided) or based upon each member's time allocation spent providing Operations Group Services and for any related expenses (direct or allocable) associated with such services. The payments by portfolio companies to the Operations Group or its members are considered compensation to the Operations Group or its members and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

WCP Fund GPs typically receive a performance-based carried interest allocation (“**Carried Interest**”) with respect to the WCP Funds and the WCP Fund Co-Invest Vehicles of up to 20% of all realized profits in excess of an 8% compounded preferred return, subject to a WCP Fund GP catch-up provision as more fully described in the applicable WCP Fund and WCP Fund Co-Invest Vehicle Governing Documents. The Carried Interest allocations distributed to the relevant WCP Fund GP, as applicable, are subject to a potential giveback to the extent the relevant WCP Fund GP receives distributions in excess of entitled distributions. These performance-based arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The WCP Employee/Affiliate Co-Invest Vehicles do not pay Carried Interest, as investors in the WCP Employee/Affiliate Co-Invest Vehicles are comprised of only senior management employees or affiliated persons of WCP and do not include third-party investors.

The fact that each WCP Fund GP’s Carried Interest allocations are based on the performance of each WCP Fund or WCP Fund Co-Invest Vehicle may create incentive for a WCP Fund GP to make investments that are more speculative than would be the case in the absence of such distributions. However, this incentive is mitigated by the following: (i) any losses the WCP Funds or WCP Fund Co-Invest Vehicles sustain will reduce each WCP Fund GP’s Carried Interest distribution; (ii) the WCP principals have a substantial financial commitment to the WCP Funds; and (iii) Carried Interest is generally calculated only after limited partners have received as distributions 100% of their capital contributions plus a preferred return.

With regards to side-by-side management, in an effort to reduce the potential for any conflict of interest regarding favoring one WCP Fund or WCP Co-Invest Vehicle over another, WCP Funds and WCP Co-Invest Vehicles invest together on a side-by-side basis in each relevant portfolio company investment. In addition, generally only one WCP Fund is open for new investments at a time. See Item 11 for a discussion of how WCP manages concurrent WCP Funds.

ITEM 7 TYPES OF CLIENTS

The investments in the WCP Funds and the WCP Fund Co-Invest Vehicles are only offered and sold to institutional investors and certain high net-worth individuals that are “accredited investors” as defined in the Securities Act of 1933, as amended, and are either “qualified clients,” as defined by the Advisers Act or “qualified purchasers” as defined by the Investment Company Act of 1940, as amended. The WCP Funds and the WCP Fund Co-Invest Vehicles generally have specified minimum Commitment amounts of \$1 million. At the sole discretion of the relevant WCP Fund GP, Commitments of less than the minimum amount with respect to a limited partner were accepted. The WCP Funds and the existing WCP Fund Co-Invest Vehicles are not currently accepting new Commitments from limited partners.

The limited partners participating in WCP Funds and the WCP Fund Co-Invest Vehicles include a broad range of U.S. and non-U.S. individuals and institutional investors, including, among others, public pension, corporate pension, union pension, endowments, foundations, insurance companies, sovereign wealth funds, funds of funds, other investment entities, trusts, estates or other corporations or business entities.

For the WCP Employee/Affiliate Co-Invest Vehicles, investors are comprised of only senior management employees or affiliated persons of WCP and do not include third-party investors.

For WCP Fund Co-Invest Vehicles or direct co-investments in portfolio companies, WCP may, in its sole discretion, permit one or more (but not necessarily all) WCP Fund limited partners or affiliated persons and/or third parties to co-invest alongside the WCP Fund in one or more portfolio companies. Such affiliated persons and third parties include, without limitation, management teams, strategic limited partners, lenders, deal sources, other private equity or venture capital firms, other persons or entities affiliated, associated or otherwise known to WCP or its personnel and unrelated third parties. Permission to co-invest may be based upon various factors, including the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis, and for strategic or other reasons. WCP is not obligated to make co-investment opportunities available to any particular limited partner. In regards to existing WCP Fund Co-Invest Vehicles, although not required to do so, WCP offered the co-investment opportunities only to WCP Fund limited partners invested in the portfolio company through a WCP Fund. Not all relevant WCP Fund limited partners offered the co-investment opportunities chose to participate.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

WCP is a private investment firm that partners with management teams to acquire, improve and grow companies in the U.S. lower middle market primarily through control-oriented growth equity investments, industry consolidations, buyouts or recapitalizations. WCP's investment philosophy is to partner with experienced executives to develop well-run, scalable, high growth platforms that address large, growing, inefficient and highly fragmented markets within the healthcare services and business and technology services sectors. WCP seeks to invest \$50 million to \$150 million of total equity, including follow-on investments, in each platform, and employs a disciplined three-phase investment strategy with staged investments designed to generate superior, risk-adjusted returns.

Investment Strategy

WCP's strategy is to build strategic assets and manage risk by partnering with leading executives to focus on growth and operational improvements while utilizing prudent leverage to enhance, rather than drive, returns. This strategy may include one or more of the following approaches: (i) Executive led – partnering with executives to identify, acquire and build platforms; (ii) Consolidations – driving growth and realizing synergies through follow-on acquisitions; or (iii) Growth Acceleration – pursuing organic growth initiatives to create value.

By focusing on lower middle market companies as entry points for platform development, WCP has often been able to acquire companies at attractive valuations. By successfully transforming these smaller, less sophisticated companies into larger, better-run, higher growth platforms, WCP has benefited from the corresponding valuation improvement achieved at exit.

With each of its platform investments, WCP generally utilizes its three-phase investment approach, consisting of:

- Phase One – identify attractive markets, draft industry white papers, proactively pursue investment opportunities and partner with leading executives to make an initial platform investment
- Phase Two – invest in infrastructure and human capital to set the stage for future growth
- Phase Three – accelerate growth organically and through follow-on acquisitions, while making operational improvements to the platform

WCP believes that adhering to this approach lowers risks both in investment selection and in the successful implementation of growth and operational initiatives. WCP typically invests a portion of its equity commitment up front (approximately 50% of the total commitment) and reserves the remaining capital for growth, deploying it over time for organic growth initiatives and follow-on acquisitions, provided that the investment thesis continues to hold true, and thereby generating superior, risk-adjusted returns.

Risks of Investment

No investment is free of risk. Current and prospective WCP Fund limited partners are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. WCP Funds and their limited partners bear the risk of loss that WCP's investment strategy entails. All current and prospective limited partners should be aware of certain risks involved with WCP's investment strategy and an investment in a WCP Fund, which are generally specified in the relevant Private Placement Memorandum and include, but are not limited to, the following:

Business Risks: Each WCP Fund's investment portfolio consists 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.

Future and Past Performance: The performance of the WCP Funds' and WCP's investment professionals' prior investments is not necessarily indicative of any WCP Fund's future results. While WCP intends for the WCP Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities: The securities in which each WCP Fund invests may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments: Each WCP Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the WCP Funds' investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities: It is possible that a WCP Fund may never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to pay management fees during each WCP Fund's commitment period based on the aggregate amount of their Commitments.

Leveraged Investments: A WCP Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a WCP Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times, it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the WCP Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the WCP Fund's investments in the leveraged portfolio companies in a down market. In the event a portfolio company cannot generate adequate cash flow to meet debt service, a WCP Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of a WCP Fund. Furthermore, should the credit markets be limited or costly at the time WCP determines that it is desirable to sell all or a part of a portfolio company, the WCP Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the WCP Fund will invest generally will not be rated by a credit rating agency.

Illiquidity; Lack of Current Distributions: An investment in any WCP Fund should be viewed as an illiquid investment. 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, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating each WCP Fund (including the management fee payable to the WCP Fund GP) may exceed income, thereby requiring the difference be paid from such WCP Fund's capital, including unfunded Commitments.

Limited Transferability of Fund Interests: There will be no public market for the WCP Funds' limited partner interests, and none is expected to develop. There are substantial restrictions upon the transferability of WCP Fund limited partner interests under each WCP Fund's Partnership Agreement and applicable securities laws. In general, withdrawals of WCP Fund limited partner interests are not permitted. In addition, WCP Fund limited partner interests are not redeemable.

Restricted Nature of Investment Positions: Generally, there will be no readily available market for a substantial number of the WCP Fund's investments, and hence, most of the WCP Fund's investments will be difficult to value. Certain investments may be distributed in-kind to the limited partners. After a distribution of securities is made to limited partners, many limited partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by limited partners may be lower than the value of such securities determined pursuant to each WCP Fund agreement, including the value used to determine the amount of Carried Interest available to the WCP Fund GP with respect to such investment.

Reliance on WCP Fund GP and Portfolio Company Management: The WCP Funds will be dependent on the WCP Fund GPs. Control over the operation of the WCP Funds will be vested with the WCP Fund GPs, and a WCP Fund's future profitability will depend largely upon the business and investment acumen of the WCP investment professionals. The loss or reduction of service of one or more of the WCP investment professionals could have an adverse effect on a WCP Fund's ability to realize its investment objectives. In addition, the WCP investment professionals currently, and may in the future, manage other investment funds and the WCP investment professionals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the WCP investment professionals. Limited partners generally have no right or power to take part in the management of a WCP Fund, and as a result, the investment performance of the WCP Funds will depend on the actions of the WCP Fund GPs. In addition, certain changes in the WCP Fund GPs or circumstances relating to the WCP Fund GPs may have an adverse effect on the WCP Funds or one or more of its portfolio companies including potential acceleration of debt facilities. Although the WCP Fund GPs will monitor the performance of each WCP Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the WCP Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with each WCP Fund's objectives.

Projections: Projected operating results of a portfolio company in which the WCP Funds invest normally will be based primarily on financial projections prepared by such portfolio company's management, with adjustments to such projections made by the relevant WCP Fund GP in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the portfolio company and third parties and 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.

Need for Follow-On Investments: Following its initial investment in a given portfolio company, a WCP 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 (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the WCP Funds will make follow-on investments or that the WCP Funds will have sufficient funds to make all or any of such investments. Any decision by a WCP 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 (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, failure to make such investments may result in a lost opportunity for a WCP Fund to increase its participation in a successful portfolio company or the dilution of a WCP Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Public Company Holdings: The WCP Funds' investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the WCP Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include less control in the management of such companies, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the WCP Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the WCP investment professionals, and increased costs associated with each of the aforementioned risks.

Non-Controlling Investments: The WCP Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the WCP Funds at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a WCP Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a WCP Fund holds a minority stake, it may be more difficult for the WCP Fund to liquidate its interests than it would be had the WCP Fund owned a controlling interest in such company. Even if a WCP Fund has contractual rights to seek liquidity of its minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the WCP Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability: A WCP Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the portfolio companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a WCP Fund's representatives, and ultimately the WCP Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, litigation may ensue, which can be time consuming for such persons and can divert the attention of such persons from a WCP Fund's investment activities.

Litigation: In the ordinary course of its business, the WCP Funds may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a WCP Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the WCP Fund GP's and the WCP investment professionals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Commitment by GP Investment Group: The members of the Fund IV GP Investment Group, as defined in the Fund IV Governing Documents, may vary their level of co-investment relative to Fund IV's level of investment in individual portfolio companies, subject to certain limitations, including a requirement that each such co-investment be at least a certain percentage of, and shall not exceed a maximum percentage of, the total investment, unless the Fund IV Board of Advisors otherwise consents to a percentage that is greater than the maximum percentage. The Fund IV GP expects that any such variance in the level of co-investment will result from changes in the liquidity and the investment resources available to such members, as opposed to the prospects or other characteristics of any particular investment. Also, the level of co-investment may only be increased once in a calendar year and may only be decreased, but in any event not less than the minimum percentage, with the consent of the Fund IV Board of Advisors.

Certain Services: The WCP Fund GPs, the WCP Funds and the portfolio companies may retain the Operations Group or members thereof or any Executive/Operating Partner or other third party to provide services to, or in connection with, the WCP Funds in relation to their activities or one or more portfolio companies regarding the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies; fees and expenses associated with such services may be paid and/or reimbursed by applicable portfolio companies and/or the WCP Funds. Such fees and expenses may, at the discretion of the WCP Fund GP taking into account the particular services, include a profits or equity interest in a portfolio company or other incentive-based compensation to the Operations Group (or member thereof) or any Executive/Operating Partner or third party, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such person or entity, a percentage of the value of the portfolio company, the capital invested in such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. In cases in which a WCP Fund is to bear any third-party consulting fees or expenses, including broker fees, finder's fees and similar expenses, the WCP Fund GP may cause a WCP Fund or a portfolio company to pay or otherwise bear such fees in the form of a profits interest or an equity interest in a portfolio company, or in another form of incentive-based compensation.

Valuation of Assets: There is not expected to be an actively traded market for most of the securities owned by the WCP Funds. When estimating fair value, WCP will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective 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 ultimately may be sold. WCP has established a valuation policy that it intends to

follow when performing portfolio company valuations, and such policy does not generally require WCP to retain the services of a third-party valuation consultant to review or assist in performing portfolio company valuations. The exercise of discretion in valuation by WCP may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of management fees.

Co-Investments: The WCP Fund GPs may, in their sole discretion, provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by the WCP Fund GPs in their sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the WCP Fund GPs in their sole discretion, may not be in the best interests of the WCP Funds or any individual limited partner. In exercising their sole discretion in connection with such co-investment opportunities, the WCP Fund GPs may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by the WCP Fund GPs or its affiliates. The WCP Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the WCP Funds, or may be in a position to take action contrary to the investment objectives of the WCP Funds. In addition, the WCP Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Cybersecurity Risk: The WCP Funds, their portfolio companies, their service providers and other market participants depend on 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 WCP Funds and their portfolio companies, despite the efforts of 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 WCP Funds and their portfolio companies. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the WCP Funds, their portfolio companies, their 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 such systems to disclose sensitive information to gain access to the confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of 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 WCP Funds or their portfolio companies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

ITEM 9 DISCIPLINARY INFORMATION

Like other registered investment advisers, WCP is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner's evaluation of WCP or the integrity of WCP's management. No events have occurred at WCP that are applicable to this Item.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

WCP is affiliated with the WCP Fund GPs, themselves investment advisers registered with the SEC under the Advisers Act pursuant to WCP's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single investment advisory business together with WCP and serve as managers or general partners of WCP Funds and WCP Co-Invest Vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

WCP is not actively engaged in a business other than (i) giving investment advice to its clients, the WCP Funds and WCP Co-Invest Vehicles, and (ii) managing the portfolio companies owned by the WCP Funds and WCP Co-Invest Vehicles. Neither WCP nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or associated person of the foregoing, and WCP does not anticipate such affiliations in the future.

WCP has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its investment advisory services, the WCP Funds and WCP Co-Invest Vehicles or their limited partners.

WCP has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, investment banking, tax preparation, insurance brokerage and other personal services. Some of these professionals may provide services to the WCP Funds and/or their portfolio companies. From time to time, WCP receives training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will WCP accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider or that WCP believes would create an impermissible conflict of interest.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

As fiduciaries, WCP and its partners, principals and employees (“**WCP Supervised Persons**”) have certain legal obligations to put WCP Funds and WCP Co-Invest Vehicles and their limited partner interests ahead of their own. WCP has adopted a Code of Ethics and Securities Trading Policy (“**Code of Ethics**”) which sets forth WCP’s high standards of business conduct and responsibilities to the WCP Funds and WCP Co-Invest Vehicles and their limited partners that are expected of WCP Supervised Persons and addresses conflicts that arise from personal trading. WCP’s Code of Ethics includes provisions relating to standards of business conduct, a prohibition on insider trading, trading rules for personal trading, reporting of personal securities transactions, procedures designed to prevent and detect insider trading, policies and procedures for allowing political contributions, restrictions on the accepting and the giving of significant gifts, reporting of certain gifts and business entertainment items and a social media policy. All WCP Supervised Persons must acknowledge and agree to be bound by the terms of the Code of Ethics annually, or at such time the Code of Ethics is amended.

Current or prospective WCP Fund and WCP Co-Invest Vehicle limited partners may obtain at no charge, a copy of WCP’s Code of Ethics by contacting Mark Flower, WCP’s Chief Compliance Officer, at (312) 676-8425.

Participation or Interest in Client Transactions

It is WCP’s policy that it will not effect any principal or agency cross securities transactions for the WCP Funds or WCP Co-Invest Vehicles without first obtaining the relevant Board of Advisors and/or limited partner approval.

WCP senior management employees and WCP affiliated investors have made significant investments in the WCP Funds and WCP Co-Invest Vehicles as permitted by the relevant Governing Documents. However, because of the nature of WCP’s business, the participation of WCP employees and affiliated investors in these WCP Funds and WCP Co-invest Vehicles will not interfere with the making or the implementing of decisions that are in the best interest of limited partners; these WCP employees and affiliated investors share in the same deals as other limited partners of the WCP Funds and WCP Fund Co-Invest Vehicles and generally receive distributions proportionally with the limited partners. In circumstances when WCP has a public company security in its portfolio and determines in its discretion that it is in the best interest of the WCP Fund(s) to obtain liquidity in such security, the WCP Fund(s) limited partners may receive cash or be given an option to receive an in-kind distribution of stock as a result of such liquidation. The WCP Fund GPs and WCP Employee/Affiliate Co-Invest Vehicles, however, may elect to sell their shares or distribute their shares in-kind, or in the case of the WCP Employee/Affiliate Co-Invest Vehicles, shares may also be retained.

Personal Trading

In certain cases, WCP's business may provide WCP and its employees with access to material non-public (insider) information. The Code of Ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

WCP Supervised Persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. WCP has contracted with Schwab Compliance Technologies, a compliance software system owned by The Charles Schwab Corporation, to assist in monitoring personal trading by WCP Supervised Persons in any of their own accounts or any accounts in which they have a direct or indirect beneficial interest. In Schwab Compliance Technologies, a restricted list of issuers of securities is maintained in which WCP has possession of material non-public information. This list is then compared to WCP Supervised Persons' personal trading activity, also maintained in Schwab Compliance Technologies.

Conflicts of Interest

The Private Placement Memorandum for each WCP Fund details what WCP believes to be the most significant conflicts of interest associated with an investment in the WCP Funds. Some of these conflicts are summarized below; however, this summary does not attempt to describe all of the conflicts of interest associated with an investment in the WCP Funds. Current and prospective limited partners should carefully consider the conflicts of interest herein as well as those outlined in the relevant Private Placement Memorandum, prior to investing in any WCP Fund.

Limited partners should note that there could be occasions when WCP and WCP Fund GPs may encounter potential conflicts of interest in connection with a WCP Fund or WCP Co-Invest Vehicle. If any matter arises that WCP determines in its good faith constitutes an actual conflict of interest, WCP may take such actions as may be necessary or appropriate, within the context of such WCP Fund's or WCP Co-Invest Vehicle's Governing Documents, to address or mitigate the conflict. These actions may include disposing of the asset giving rise to the conflict, consulting outside counsel, bringing the matter before the relevant WCP Fund's Board of Advisors or appointing an independent fiduciary.

WCP currently manages Fund I, Fund II, Fund III and Fund IV concurrently; WCP Funds with open commitment periods may compete with each other for potential investment opportunities. In its discretion, WCP will direct certain relevant investment opportunities to the particular WCP Fund(s), taking into consideration whether the investment opportunity is within a WCP Fund's commitment period and the remaining level of the WCP Fund's Commitments, as well as the WCP Fund's investment restrictions and objectives, strategy, risk profile, time horizon and applicable regulatory restrictions. WCP maintains a policy on the allocation of investment opportunities in a manner that it believes is fair and equitable. Generally, however, only one WCP Fund is open for new investments at a time.

Under the terms of the WCP Funds' Governing Documents, WCP investment professionals may spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of the WCP Funds. In addition, WCP's Founder and Managing Partner has made investments in a personal capacity and continues to pursue investments that the WCP Fund GPs determine do not meet the investment criteria of the WCP Funds, including investments in real estate and related assets, investments in non-U.S. companies, non-controlling investments and investments that do not meet the WCP Fund's industry, risk or return criteria.

Pursuant to professional services or advisory agreements between WCP and WCP Fund portfolio companies, WCP is entitled to Service Fees. Such Service Fee amounts will be in addition to any management fees or Carried Interest paid by a WCP Fund, but are subject to the management fee offset provisions of the applicable WCP Fund's Governing Documents. In addition, a portfolio company typically will pay or reimburse WCP, Executive/Operating Partners, the Operations Group or its members or service providers retained at WCP's discretion for fees and/or expenses (including without limitation travel expenses) incurred by these providers in connection with the performance of services for such portfolio company. Payments for such services (and in certain circumstances, reimbursements for expenses) may subject WCP and its affiliates to conflicts of interest because the WCP Funds generally do not have an interest or share 100% in these payments or reimbursements. These payments may be substantial and WCP determines the amount of these payments and reimbursements for such services in its own discretion. WCP may not necessarily seek out the lowest cost options when incurring (or causing a WCP Fund or its portfolio companies to incur) such expenses.

Subject to any relevant restrictions or other limitations contained in the Governing Documents of each WCP Fund, WCP will allocate expenses in a manner that it believes in its good faith is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, WCP may be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple WCP Funds will be allocated among such WCP Funds. The allocations of such expenses may not be proportional. A conflict of interest could arise in WCP's determination whether certain expenses that are incurred in connection with the operation of the WCP Funds meet the definition of WCP Fund Partnership Expenses for which the WCP Funds are responsible, or whether such expenses should be borne by WCP. The WCP Funds will be reliant on the determinations of WCP in this regard. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by WCP to be the most appropriate corrective measure.

WCP's partners, principals, employees, former employees and Executive/Operating Partners, serve on the boards of WCP Fund portfolio companies and/or as executive officers. Serving in such capacities may give rise to conflicts of interest to the extent that fiduciary duties to a portfolio company as a director or executive officer may conflict with the interests of a WCP Fund. In addition, conflicts may arise from WCP affiliated persons investing in the WCP Funds and WCP Co-Invest Vehicles and/or receiving profits from the WCP Funds and WCP Co-Invest Vehicles versus investing directly in portfolio companies and being entitled to a portion of

profits pursuant to a portfolio company incentive equity and/or option plan. In general, however, because the WCP Funds will typically be significant shareholders of such portfolio companies, it is expected that the interests of WCP and such portfolio companies generally will be aligned.

WCP may also appoint other third parties to sit on a portfolio company board. Any compensation received for such board service is considered compensation to the third parties and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

Each of the WCP Funds has a Board of Advisors, which is established under the respective WCP Fund's Governing Documents. Each WCP Fund's Board of Advisors is comprised of select limited partners and/or outside advisers of such limited partners of each WCP Fund. A conflict of interest may exist in that not all limited partners are asked to join a WCP Fund's Board of Advisors.

WCP generally may, in its discretion, recommend to a WCP Fund or a current or prospective portfolio company (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) WCP or a related person of WCP (including but not limited to a portfolio company of a WCP Fund); or (ii) an entity with which WCP or its affiliates or a member of their personnel has a relationship or from which WCP or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, WCP may, because of its financial or other business interest, have 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.

Each WCP Fund's or WCP Co-Invest Vehicle's limited partners include persons or entities that reside in various jurisdictions, including the U.S. and other countries, who may have conflicting investment, tax and other interests with respect to their investments in each WCP Fund and WCP Co-Invest Vehicle. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by each WCP Fund or WCP Co-Invest Vehicle, the structuring of the acquisition of portfolio companies and the timing of disposition of investments. Such structuring of portfolio companies may result in different returns being realized by different limited partners. As a consequence, conflicts of interest may arise in connection with decisions made by WCP that may be more beneficial for one limited partner than another limited partner, especially with respect to limited partners' individual tax situations. WCP considers the investment and tax objectives of each WCP Fund and WCP Co-Invest Vehicle as a whole and not the individual investment, tax or other objectives of any particular limited partner.

WCP sometimes enters into transactions with certain WCP Fund limited partners such as, for example, limited partners who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services to the Firm, its clients or current or prospective portfolio companies. The terms of these transactions are negotiated on an arm's-length basis; however, WCP is subject to a conflict of interest when determining such terms because WCP may benefit from retaining such limited partners' investment in the WCP Funds.

ITEM 12 **BROKERAGE PRACTICES**

WCP focuses on securities transactions of private companies for the WCP Funds and WCP Co-Invest Vehicles and generally buys and sells WCP Fund portfolio companies through privately-negotiated transactions. With regard to these private investments, WCP may retain the services of one or more broker-dealers or investment banks, the cost of which may be borne by the WCP Funds and WCP Co-Invest Vehicles. In selecting a broker-dealer or investment banker to effectuate a private fund transaction, WCP may consider a variety of factors, including: (i) capabilities with respect to the types of transactions being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although WCP generally will seek reasonable rates for such services, the market for such private brokerage transaction services involves more subjective evaluations than public securities brokerage transactions and the WCP Fund and WCP Co-Invest Vehicle may not necessarily pay the lowest commission or fee for such services.

WCP may also distribute publicly-held securities to limited partners in a WCP Fund and WCP Co-Invest Vehicle or may sell publicly-held securities, including through a broker-dealer, if a public trading market exists. Although WCP does not frequently engage in public securities transactions, to the extent it does engage in a public securities transaction, WCP follows the brokerage practices described below.

If WCP sells publicly-traded securities for a WCP Fund and WCP Co-Invest Vehicle, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by WCP. WCP seeks to select brokers on the basis of best price and execution capability. In selecting a broker to execute WCP Fund and WCP Co-Invest Vehicle transactions, WCP will consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Consistent with WCP seeking to obtain best execution, brokerage commissions on WCP Fund and WCP Co-Invest Vehicle transactions may be directed to brokers in recognition of research furnished by them, although WCP generally does not make use of such services. To the extent that WCP allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on WCP's interest in receiving such research or other products or services, rather than based on WCP Funds' and WCP Co-Invest Vehicles' interest in receiving most favorable execution.

ITEM 13 **REVIEW OF ACCOUNTS**

The investment portfolios of the WCP Funds are generally private, illiquid and long-term in nature, and accordingly WCP's review of them is not directed toward a short-term decision to dispose of securities. However, WCP closely monitors the portfolio companies of the WCP Funds and maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an ongoing basis. The team generally

includes those investment professionals assigned to the portfolio company. In addition, WCP's Investment Committee regularly reviews the investment portfolio of each WCP Fund.

In addition, Mark Flower, Chief Financial Officer and Chief Compliance Officer, reviews the accounts of each of the WCP Funds and WCP Co-Invest Vehicles on a quarterly basis. Mr. Flower also reviews the WCP Funds' and WCP Co-Invest Vehicles' accounts whenever a determination is made as to a distribution. WCP furnishes its limited partners with unaudited financial statements for the first three quarters of each fiscal year within 45 days of each quarter's close and an annual audited financial statement within 90 days of the fiscal year end. WCP performs a valuation of each WCP Fund-held portfolio company quarterly. In addition to providing WCP Fund financial statements on a quarterly basis, WCP provides a summary statement of changes in individual limited partners' capital accounts to each limited partner quarterly. All reports are sent to limited partners in writing and are delivered electronically.

In the course of conducting due diligence or otherwise, limited partners periodically request information pertaining to their investments. WCP responds to these requests, and in answering these requests provides information that is not generally made available to other limited partners who have not requested such information. Additionally, upon request, certain limited partners may receive additional information and reporting that other limited partners may not receive.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

WCP receives compensation in the form of management fees paid by the limited partners of the WCP Funds and WCP Fund Co-Invest Vehicles, as disclosed in the applicable Governing Documents. In addition, WCP and WCP Fund GPs provide certain management and other services to portfolio companies of the WCP Funds and may receive Service Fees as compensation from the portfolio companies in connection with such services. The WCP management fees and Service Fees are set forth in Item 5, above.

These types of arrangements present potential conflicts of interest and provide WCP with an incentive to recommend investments based on compensation received rather than the best interests of the WCP Funds. To help mitigate this potential conflict, such benefits received by WCP or its employees in connection with services rendered to portfolio companies or transactions of the WCP Fund are offset in part against management fees payable by the WCP Funds, to the extent described above and detailed in each WCP Fund's Governing Documents.

WCP may, from time to time, enter into solicitation agreements pursuant to which it compensates a third party for limited partner referrals that will result in the provision of investment advisory services by WCP when a prospective limited partner invests in a WCP Fund. Any cash solicitation agreements will comply with Rule 206(4)-3 of the Advisers Act. Placement agents introducing limited partners to WCP may receive compensation from WCP, such as a retainer and/or a percentage of introduced Commitments. Such compensation is to be paid pursuant to the written solicitation agreement with the placement agent. The cost of any such fees will be borne entirely by WCP and not by any affected WCP Fund limited partners;

however, the fees and expenses payable may be borne by WCP indirectly through an offset against the management fee payable.

ITEM 15 **CUSTODY**

The Investment Advisers Act of 1940 Rule 206(4) (the “Custody Rule”) requires that pooled investment vehicles advised by an investment adviser either undergo an annual GAAP financial statement audit or be subject to a surprise custody examination by a PCAOB-registered auditing firm. WCP has elected to undergo both annual financial audits and surprise custody examinations for its investment vehicles. The WCP Funds are subject to an annual financial statement audit in accordance with generally accepted accounting principles (“GAAP”) as promulgated in the U.S., a copy of which is delivered to the relevant WCP Fund and its limited partners within the SEC-required 120 days of the relevant fiscal year end. The WCP Co-Invest Vehicles are not subject to an annual financial statement audit; therefore, these vehicles abide by the surprise custody examination and related requirements of the Advisers Act Custody Rule, Rule 206(4)-2. For these WCP Co-Invest Vehicles subject to a surprise custody examination, WCP ensures ADV-E’s are timely filed.

By WCP’s ability to deduct fees and/or expenses from limited partners’ accounts, WCP is deemed to have custody over all WCP Funds and WCP Co-Invest Vehicles; however, WCP does not take physical possession of WCP Fund or WCP Co-Invest Vehicle money or securities (other than certain privately offered securities to the extent permitted by the Advisers Act). Rather WCP maintains custody of all such assets in separate accounts in the name of each of the WCP Funds and WCP Co-Invest Vehicles with the following qualified custodians: The Northern Trust Company and Raymond James & Associates, Inc. For each of the WCP Funds and WCP Co-Invest Vehicles, The Northern Trust Company serves as the qualified custodian for cash accounts and Raymond James & Associates, Inc. serves as the qualified custodian for brokerage accounts for certificated and uncertificated investment securities. WCP receives at least quarterly statements from all qualified custodians. For the WCP Co-Invest Vehicles not subject to annual GAAP audits and subject to a surprise custody examination, The Northern Trust Company and Raymond James & Associates, Inc. send at least quarterly custody statements directly to the limited partners in each WCP Co-Invest Vehicle confirming the cash and securities held on behalf of such WCP Co-Invest Vehicle.

On a quarterly basis, WCP sends to all limited partners financial statements of the applicable WCP Fund or WCP Co-Invest Vehicle, a summary statement of changes in individual limited partners’ capital accounts and an update on each WCP Fund’s and WCP Co-Invest Vehicle’s portfolio company holdings. The limited partners of the WCP Co-Invest Vehicles are encouraged to compare the quarterly financial statements they receive from WCP to the custody statements received directly from the qualified custodians, noting that such custody statements only identify the overall investments of the WCP Co-Invest Vehicle and not the investments of each individual limited partner.

ITEM 16 **INVESTMENT DISCRETION**

WCP and the WCP Fund GPs have discretionary authority based upon the respective Governing Documents with each of the WCP Funds and WCP Co-Invest Vehicles to buy and sell securities or other investments on behalf of the WCP Funds or WCP Co-Invest Vehicles and to determine the amount of such investment to be bought and sold. The terms upon which WCP serves as an adviser of a WCP Fund or WCP Co-Invest Vehicle are established at the time each such WCP Fund or WCP Co-Invest Vehicle is established. The terms as set forth in the relevant WCP Fund and WCP Co-Invest Vehicle's Governing Documents potentially restrict WCP's advice concerning investments in certain securities or types of securities, diversification, geographies and leverage. WCP's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

As a general policy, neither WCP nor the WCP Fund GPs allow limited partners to place limitations on their investment authority. Pursuant to the terms of the applicable Partnership Agreement, however, WCP may enter into side letters with certain limited partners whereby the terms applicable to such limited partner's investment in one or more WCP Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. WCP assumes this discretionary authority pursuant to the terms of the applicable Partnership Agreement and powers of attorney executed by the limited partners of WCP Funds.

A limited partner must execute a subscription agreement and a Partnership Agreement with a WCP Fund or WCP Fund Co-Invest Vehicle to become a limited partner of such WCP Fund or WCP Fund Co-Invest Vehicle. WCP is not permitted to transact any business with a limited partner until these documents are executed. Once a limited partner has executed a subscription agreement and a Partnership Agreement, WCP is not required to contact the limited partner for approval prior to the purchase or sale of securities for the WCP Funds or WCP Fund Co-Invest Vehicles.

ITEM 17 **VOTING CLIENT SECURITIES**

WCP has adopted the WCP Proxy Voting Policies and Procedures (the "**Proxy Policy**") pursuant to SEC Rule 206(4)-6 of the Advisers Act to address how it votes publicly-traded security proxies, as applicable, for the WCP Funds and WCP Co-Invest Vehicles. While WCP does have occasions to vote publicly-traded security proxies on behalf of the WCP Funds and WCP Co-Invest Vehicles, the vast majority of its portfolio companies are private. The majority of the proxies received by WCP for its private companies are written shareholder consents or similar instruments for its portfolio companies. WCP believes that its interests are generally aligned with those of WCP Funds' and WCP Co-Invest Vehicles' limited partners through the WCP senior management employees' and WCP affiliated persons' beneficial ownership interests in the WCP Funds and WCP Co-Invest Vehicles. WCP does not consider service on portfolio company boards by WCP and its affiliated persons or the receipt of Service Fees to create a material conflict of interest in voting private proxies with respect to such companies.

Currently, certain WCP Funds and WCP Employee/Affiliate Co-Invest Vehicles own a public company, and when a public security proxy is distributed for vote in this or any other future public portfolio company holding, WCP votes and will continue to vote the proxy consistent with the best interests of its limited partners. Pursuant to its Proxy Policy, WCP generally votes public proxies in accordance with management's recommendations unless WCP determines that voting in such a manner is in conflict with the best interests of the WCP Funds and WCP Co-Invest Vehicles and their limited partners. In these cases, WCP will evaluate and vote the publicly-traded security proxies on a case-by-case basis. If it is determined that there is a conflict of interest and the conflict is not material, WCP may vote such proxies notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, WCP will resolve the conflict in one of several possible ways, such as by consulting the relevant WCP Fund's Board of Advisors to recommend a vote with respect to such proxy. In general, limited partners cannot request that WCP vote in a particular way on any specific proposal.

Current or prospective WCP Fund and WCP Co-Invest Vehicle limited partners may obtain at no charge, a copy of WCP's complete Proxy Policy or information regarding how WCP voted publicly-traded security proxies for particular portfolio companies by contacting Mark Flower, WCP's Chief Compliance Officer, at (312) 676-8425.

ITEM 18 FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide certain financial information or disclosures about their financial condition. WCP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to limited partners, has not been the subject of a bankruptcy proceeding and does not require prepayment of management fees more than six months in advance.

FORM ADV PART 2B - BROCHURE SUPPLEMENT

This Brochure Supplement provides information about Waud Capital Partners, L.L.C. that supplements the Brochure. You should have received a copy of the Brochure. Please contact Mark Flower, Chief Compliance Officer, at (312) 676-8425 if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about WCP is available on the SEC's website at www.adviserinfo.sec.gov.

REEVE B. WAUD

Year of Birth: 1963
Founder and Managing Partner
Waud Capital Partners, L.L.C.
300 North LaSalle Street, Suite 4900
Chicago, Illinois 60654
(312) 676-8400

ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Mr. Waud holds a B.A. in Economics from Middlebury College and an M.B.A. from the Kellogg School of Management at Northwestern University.

Mr. Waud is the Founder and Managing Partner of Waud Capital Partners. Over his 32-year investment career, he has acquired more than 230 companies. Prior to founding WCP in 1993, Mr. Waud worked at the private equity firm Golder, Thoma, Cressey, Rauner and in the venture capital group at Salomon Brothers Inc.

ITEM 3 DISCIPLINARY INFORMATION

Mr. Waud has never been the object of any legal or disciplinary event, proceeding or action.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Waud is on the Board of Acadia Healthcare Company and Pilot Thomas Logistics. The aforementioned companies are portfolio companies of the WCP Funds and Mr. Waud's appointment on such boards has been designated in the best interest of the WCP Funds and their respective limited partners. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interest may arise between Mr. Waud's fiduciary duties to the portfolio company on which he serves and his duty to WCP, as decisions that are in the portfolio company's best interest may possibly not be in WCP's best interests. As the WCP Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned; however, appropriate measures have been taken whereby Mr. Waud may recuse himself in such circumstances from the decision making process.

Mr. Waud is a Trustee, Chairman of the Audit and Risk Committee and Member of the Executive Committee of St. Paul's School in Concord, New Hampshire; a Member of the Executive Committee and Chairman of the Audit and Finance Committee of the John G. Shedd Aquarium; and a Member of the Northwestern Memorial HealthCare Finance Committee. He is also a Trustee and Member of the Finance Committee of the Art Institute of Chicago; serves on the Board of The Economic Club of Chicago; and is Chairman of the Illinois State Police Merit Board, which has oversight responsibility for the State Police. These activities are charitable in nature or unrelated to WCP and do not create a potential conflict of interest with WCP Funds, limited partners or portfolio companies.

Outside of his roles with WCP and its affiliated investment advisers, the only investment-related business in which Mr. Waud is engaged is the operation and management of certain family investment entities and these activities do not create a potential conflict of interest with WCP Funds, their limited partners or portfolio companies.

ITEM 5 **ADDITIONAL COMPENSATION**

Mr. Waud does not receive an economic benefit for providing advisory services, other than his ownership interest in the management company, his portion of carried interest and his direct investment interest in the Funds managed by WCP.

ITEM 6 **SUPERVISION**

Mr. Waud is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425.

Matthew W. Clary

Year of Birth: 1961

Partner

Waud Capital Partners, L.L.C.

300 North LaSalle Street, Suite 4900

Chicago, Illinois 60654

(312) 676-8400

ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Mr. Clary holds a B.A. in Economics from the University of Washington and an M.B.A. from the Kellogg School of Management at Northwestern University.

Mr. Clary joined WCP in 2004 and has been active in principal investing since 1992. He was previously a Partner at Banc of America Capital Investors.

ITEM 3 DISCIPLINARY INFORMATION

Mr. Clary has never been the object of any legal or disciplinary event, proceeding or action.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Clary has served on the board of more than 15 private and public companies during his private equity career. He is currently on the Board of Cordant Health Solutions (previously Sterling Healthcare Holdings), PSI Services and CyberGrants. The aforementioned companies are portfolio companies of the WCP Funds and Mr. Clary's appointment on such boards has been designated in the best interest of the WCP Funds and their respective limited partners. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interest may arise between Mr. Clary's fiduciary duties to the portfolio company on which he serves and his duty to WCP, as decisions that are in the portfolio company's best interest may possibly not be in WCP's best interests. As the WCP Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned; however, appropriate measures have been taken whereby Mr. Clary may recuse himself in such circumstances from the decision making process.

ITEM 5 ADDITIONAL COMPENSATION

Mr. Clary does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by WCP, his portion of carried interest and his direct investment interest in the Funds managed by WCP.

ITEM 6 **SUPERVISION**

Mr. Clary is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425.

DAVID O. NEIGHBOURS

Year of Birth: 1976

Partner

Waud Capital Partners, L.L.C.

300 North LaSalle Street, Suite 4900

Chicago, Illinois 60654

(312) 676-8400

ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Mr. Neighbours holds a B.B.A. in Finance from the University of Notre Dame.

Mr. Neighbours joined WCP in 2003. He worked previously in private equity at Citigroup Investments and worked in the Private Investment group and in investment banking at Salomon Smith Barney.

ITEM 3 DISCIPLINARY INFORMATION

Mr. Neighbours has never been the object of any legal or disciplinary event, proceeding or action.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Neighbours is on the Board of Ivy Rehab and United Vision Partners and serves as Chairman of Dimensional Management. Mr. Neighbours' appointment on such boards has been designated in the best interest of the WCP Funds and their respective limited partners. Serving on a portfolio company board could lead to potential conflicts of interest. For example, a conflict of interest may arise between Mr. Neighbours' fiduciary duties to the portfolio company on which he serves and his duty to WCP, as decisions that are in the portfolio company's best interest may possibly not be in WCP's best interests. As the WCP Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned; however, appropriate measures have been taken whereby Mr. Neighbours may recuse himself in such circumstances from the decision making process.

In addition to his activities at WCP, Mr. Neighbours is a Member of the Rush University Medical Center Associates Board. He was also a Founding Officer of the Healthcare Private Equity Association, a non-profit trade association that represents the U.S. healthcare private equity industry. These activities are charitable in nature and do not create a potential conflict of interest with WCP Funds, limited partners or portfolio companies.

ITEM 5 ADDITIONAL COMPENSATION

Mr. Neighbours does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by WCP, his portion of carried interest and his direct investment interest in the Funds managed by WCP.

ITEM 6 **SUPERVISION**

Mr. Neighbours is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425.

PHILIP S. KEMP, JR.

Year of Birth: 1954
Principal – Investor Relations
Waud Capital Partners, L.L.C.
300 North LaSalle Street, Suite 4900
Chicago, Illinois 60654
(312) 676-8400

ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Mr. Kemp holds an A.B., *cum laude*, in Economics from Harvard College and an M.B.A. from the Stanford University Graduate School of Business, where he was an Arjay Miller Scholar.

Mr. Kemp joined WCP in 2015. Prior to joining WCP, Mr. Kemp worked in investor relations and fundraising at U.S. and international private equity firms, including Doughty Hanson, Ripplewood Holdings and India Equity Partners, among others. He also worked in the private equity funds placement group at Jefferies. Earlier in his career, he worked at Greenwich Associates and Salomon Brothers Inc.

ITEM 3 DISCIPLINARY INFORMATION

Mr. Kemp has never been the object of any legal or disciplinary event, proceeding or action.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Kemp is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

ITEM 5 ADDITIONAL COMPENSATION

Mr. Kemp does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by WCP, his portion of carried interest and his direct investment interest in the Funds managed by WCP.

ITEM 6 SUPERVISION

Mr. Kemp is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425.

MARK D. FLOWER

Year of Birth: 1964
Chief Financial Officer and Chief Compliance Officer
Waud Capital Partners, L.L.C.
300 North LaSalle Street, Suite 4900
Chicago, Illinois 60654
(312) 676-8425

ITEM 2 **EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Flower holds a B.B.A. in Accounting from the University of Wisconsin and has a CPA designation from the state of Illinois.

Mr. Flower joined WCP in 2004. He was previously the CFO and Treasurer at Vector Fund Management. He began his career at Arthur Andersen and later worked in accounting and finance positions with Kemper Financial Services, Kemper Asset Management and Iowa Grain.

ITEM 3 **DISCIPLINARY INFORMATION**

Mr. Flower has never been the object of any legal or disciplinary event, proceeding or action.

ITEM 4 **OTHER BUSINESS ACTIVITIES**

Mr. Flower is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

ITEM 5 **ADDITIONAL COMPENSATION**

Mr. Flower does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by WCP, his portion of carried interest and his direct investment interest in the Funds managed by WCP.

ITEM 6 **SUPERVISION**

Mr. Flower is supervised by WCP's Managing Partner, Reeve Waud, (312) 676-8400.