

SUNTX CAPITAL MANAGEMENT CORP.
(“*SunTx*”)

FORM ADV, PART 2A
(the “*Brochure*”)

March 2015

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This Brochure provides information about the qualifications and business practices of SunTx. If you have any questions about the contents of this brochure, please contact us at (972) 663-8900. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“*SEC*”) or by any state securities authority. Additional information about SunTx also is available on the SEC’s website at www.adviserinfo.sec.gov. SunTx may refer to itself as a “registered investment adviser” or “*RIA*”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Important Note About This Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by SunTx;
- a complete discussion of the features, risks or conflicts associated with any account advised by SunTx; or
- to be relied on in determining whether to invest in a Private Fund (as defined herein) or establish an advisory relationship with SunTx.

As required by the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), SunTx provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Private Fund, together with other relevant offering materials, prior to, or in connection with, such persons’ establishment or consideration of a client relationship or an investment in a Private Fund.

Persons who receive this Brochure (whether or not from SunTx) should be aware that it is designed solely to provide information about SunTx as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or investor relationship such as an advisory contract or a Private Fund’s Governing Documents (as defined below).

More complete information about each Private Fund, as well as SunTx’s investment management services in general, is included in relevant Governing Documents, certain of which may be provided to current and eligible prospective clients or Investors (as defined below) only by SunTx or another designated party. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Documents, the relevant Governing Documents shall govern and control.

In no event should this Brochure be considered to be an offer of interests in a Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

ITEM 2: MATERIAL CHANGES

Following is a discussion of the material changes to SunTx's Brochure from the annual amendment in March of 2014:

Item 4 – Advisory Business

- SunTx has established a new fund, SunTx Capital Partners III, L.P. ("**Fund III**"). We have added this new fund as well as the management company and general partner entities for the Fund in this section and, as appropriate, throughout the Brochure.
- We have updated assets under management as of 12/31/14.

Item 5 – Fees and Compensation

- We have added information regarding the treatment of Net Special Income for co-investors and clarified that custody and surprise examination expenses are included in Partnership Expenses. We have further added detail regarding consulting fees and other expenses paid to operating partners.

Item 10 – Other Financial and Industry Activities and Affiliations

- We have updated this section to note the procedure for allocating co-investments pursuant to Fund III Governing Documents.

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

- We have updated this section to note additional controls with respect to related party transactions.

Item 13 – Review of Accounts

- We have updated this section to note that unaudited financial statements are provided to Investors in certain Acquisition Vehicles.

Item 14 – Client Referrals and Other Compensation

- We have updated this section to disclose the placement agent engaged with respect to Fund III and to note the general compensation terms of such agreement.

Item 15 – Custody

- We have updated this item to disclose the custody treatment of Acquisition Vehicles with third party investors.

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ITEM 4: ADVISORY BUSINESS

Firm Overview

SunTx is a private equity investment management firm that, since its inception in 2000, has pursued its investment strategy of making control investments in middle-market companies primarily in the Sunbelt region (the “**Sunbelt**” or the “**Region**”). SunTx was co-founded in 2000 by Ned N. Fleming III, Mark R. Matteson, Craig J. Jennings and Richard Boyle (collectively, the “**Principals**”). SunTx is wholly-owned by Ned N. Fleming III; SunTx Capital II Management Corp. (“**SunTx II**”) and SunTx Capital III Management Corp. (“**SunTx III**”), each an affiliate of SunTx and a Relying Adviser (as discussed below), are owned by Ned N. Fleming III, Mark R. Matteson and Craig J. Jennings. SunTx Capital SBIC Corporation (“**SunTx SBIC**,” also a Relying Adviser) is owned by Ned N. Fleming III.

SunTx, SunTx II, SunTx III and SunTx SBIC provide investment management services on a discretionary basis to private equity investment funds (the “**Private Equity Funds**”), including SunTx Fulcrum Fund, L.P. (“**SunTx Fulcrum**”), SunTx Fulcrum Dutch Investors, L.P. (“**Fulcrum Dutch**”), SunTx Fulcrum Fund II-SBIC, L.P. (“**SBIC Fund**” and together with SunTx Fulcrum and Fulcrum Dutch referred to as “**Fund I**”), SunTx Capital Partners II, L.P. (“**Capital II**”), SunTx Capital Partners II Dutch Investors, LP (“**Dutch II**” and together with Capital II referred to as “**Fund II**”), SunTx Capital Partners III, L.P. (“**Fund III**”). Certain of SunTx’s affiliates (and not SunTx) serve as general partners to the Private Equity Funds.

SunTx or a SunTx affiliate also serve as general partner and/or investment manager to single purpose private investment funds established for the purpose of acquiring a Portfolio Company. The single purpose private investment funds are referred to as “**Acquisition Vehicles**” and together with the Private Equity Funds, are referred to as the “**SunTx Funds**,” “**Clients**” or “**Accounts**”. SunTx II, SunTx III and SunTx SBIC, together with those affiliates that serve as general partner to the SunTx Funds are together referred to in this Brochure as “**SunTx Affiliates**”. Companies in which the SunTx Funds invest are referred to as “**Portfolio Companies**”.

SunTx, SunTx II, SunTx III and SunTx SBIC have together filed a single Form ADV. SunTx II, SunTx III, and SunTx SBIC are each a “**Relying Adviser**” of SunTx. SunTx, SunTx II, SunTx III, and SunTx SBIC are subject to a unified compliance program administered by a single Chief Compliance Officer (“**CCO**”) and hold themselves out to current and potential investors as conducting a single advisory business. References in this Brochure to SunTx shall include the Relying Advisers and all SunTx Affiliates, as appropriate.

As of December 31, 2014, SunTx had approximately \$1,291,441,129 in discretionary gross assets under management, which amount includes uncalled capital commitments as of that date. SunTx does not currently manage any assets in a non-discretionary manner.

Nature of SunTx’s Clients and Investors

The SunTx Funds are SunTx’s Clients. SunTx does not have a separate client relationship with investors in the SunTx Funds, which are referred to throughout this Brochure as “**Investors**.” The SunTx Funds are typically U.S. limited partnerships and other investment vehicles (“**Private Funds**”) that are not registered or required to be registered under the U.S. Investment Company Act of 1940 (the “**Investment Company Act**”) or the U.S. Securities Act of 1933 (the “**Securities Act**”) and are privately placed to qualified investors in the United States and elsewhere. See, also Item 7 below. Investors in the SunTx Funds are typically domiciled in the U.S., Europe or Asia and include public and private defined benefit retirement plans, endowments and foundations, family offices, wealth management firms, healthcare entities, financial institutions and high net worth individuals that are accredited investors and qualified clients.

SunTx's Investment Mandates

The SunTx Funds are managed in accordance with the investment objectives, strategies and guidelines as set forth in the relevant Fund's confidential offering memorandum, organizational documents and other related documents (collectively "***Governing Documents***") or investment agreement, and in all cases investments are selected on the basis of the Client's investment needs and objectives.

The SunTx Funds are not tailored to the individualized needs of any particular Investor, though certain SunTx Funds may take into consideration the general characteristics (e.g., tax status) of its target Investors when structuring its operations. An investment in a SunTx Fund does not, in and of itself, create an advisory relationship between the Investor and SunTx and SunTx typically does not enter into separate advisory arrangements with any Investor. Therefore, each Investor must consider for itself whether any SunTx Fund meets the Investor's investment objectives and risk tolerance before investing in the Fund. Information about each SunTx Fund is set forth in its Governing Documents, which will be available to current and eligible prospective Investors only through SunTx or another authorized party.

ITEM 5: FEES AND COMPENSATION

Management Fees & Carried Interest

SunTx and its affiliated entities that serve as general partners to the SunTx Funds (the “**SunTx General Partners**”) receive various fees from the Clients for their services at a negotiated rate based on each Client’s particular circumstances. Fees for these services are set forth in the Governing Documents or applicable investment management agreement.

SunTx’s management fees for its Private Equity Funds are initially generally charged as a percentage of the Fund’s aggregate capital commitments, but this calculation is transitioned to a percentage of the Fund’s funded capital commitments after the Investment Period, as defined in the Fund’s Governing Documents (the “**Management Fee**”). Management Fees generally decline after the Investment Period, or earlier based upon the formation and requisite capital commitments of a new Fund, as described in the Governing Documents of each Fund. However, the degree and pace of deceleration varies per Fund. Management Fees are generally billed quarterly in advance as of the beginning of the quarter and are paid through a “capital call” by which the Investor is required to pay the required amount from its undrawn capital commitment to the SunTx Fund, or deduction from available cash. Assets in the SunTx Funds are generally subject to a lockup. Investors that fail to meet a capital call are subject to a forfeiture of a portion of their capital accounts, pursuant to the Governing Documents of each Fund. Investors who transfer their interests prior to the end of a quarter do not receive a refund of any portion of their Management Fees.

The SunTx General Partners or an affiliate generally are entitled to receive a carried interest distribution (typically 20%) of the net profits derived from the disposition of investments, after the return of capital contributions and a preferred rate of return to Investors, (the “**Carried Interest**”), as defined in the Governing Documents for each Fund. Upon final dissolution of the Fund, the SunTx General Partner or affiliate is generally required to return Carried Interest distributions to the extent that such distributions exceed the amounts that would have been distributed if such Carried Interest distributions were calculated on the aggregate basis covering all Funds transactions (subject to terms and limitations set forth in the applicable Fund’s Governing Documents.) Carried Interest distributions are calculated from time to time upon the disposition of portfolio investments and are allocated or distributed to the General Partner or affiliate following the return of capital contributions and preferred return to Investors.

SunTx may waive or reduce Management Fees or Carried Interest for certain Investors or classes of Investors, in its discretion. Thus, different Investors in the same SunTx Fund may pay different Management Fees based on, among other things, waivers. Acquisition Vehicles generally do not pay a Management Fee and may not be subject to Carried Interest. Additionally, the SunTx General Partner’s capital account will generally not be subject to Management Fees or Carried Interest. Except as otherwise agreed, SunTx is not obligated to waive or reduce Management Fees for any other Investor when offering waivers or reductions to a particular Investor.

Portfolio Company Fees

SunTx or a SunTx affiliate may receive advisory fees, directors fees, monitoring fees, investment banking or closing fees, commitment fees, break-up, “topping” or similar fees from Portfolio Companies in which the SunTx Funds invest and/or in connection with Portfolio Company investments (“**Special Income**”). Pursuant to terms set forth in the Governing Documents for each SunTx Fund, such Special Income, after deduction of unreimbursed expenses and costs of SunTx and its affiliates (“**Net Special Income**”), generally reduces the Management Fees payable to SunTx and/or offsets expenses of the SunTx Fund, as described below. In the event SunTx or a SunTx Affiliate receives Net Special Income in connection with investments made by a Fund in which there are co-investors, Management Fees for the Fund will be offset

only by the Fund's allocable share of any Net Special Income paid to SunTx or a SunTx Affiliate in connection with investments made by the Fund and such co-investors. Net Special Income for any investment generally will be allocated among the Fund and any co-investors pro rata according to the investment made by the Fund and such co-investors.

Other Expenses

In addition to the Management Fee, each SunTx Fund typically pays its own operating expenses, or otherwise reimburses SunTx or a SunTx Affiliate, for these and other services as well as for certain organizational and offering expenses related to the Fund ("***Partnership Expenses***"). Partnership Expenses are described more fully in the Fund's Governing Documents.

Partnership Expenses typically include all reasonable out-of-pocket costs of administration of each SunTx Fund, including consulting and accounting, audit, custody, surprise examination, tax return preparation and legal expenses, administrators' fees, annual meeting costs, liability insurance, and limited partner reporting expenses. Partnership Expenses also include out-of-pocket costs and expenses directly related to portfolio investments or prospective investments (whether or not consummated), such as legal, accounting and other professional or third-party costs, travel, entertainment and other costs, which may include coach, business or first class travel on commercial transportation services, private aircraft or other public or private transportation services, brokerage commissions and transaction costs, custody fees and fees of professional advisors and consultants ("***Deal Expenses***"), as well as expenses incurred in obtaining systems, research and other information utilized in SunTx's investment program. Portfolio Companies may pay, or reimburse SunTx or a SunTx Affiliate, for consulting fees or other expenses paid to Operating Partners and/or Consultants with which SunTx has a business relationship and who share SunTx's office space.

SunTx seeks to structure Portfolio Company investments so that Deal Expenses are absorbed or reimbursed by the relevant Portfolio Company, whenever practicable. Deal Expenses that are not absorbed or reimbursed by a Portfolio Company, such as when a deal is not consummated (i.e., "***Dead Deal Expenses***") or when a security is purchased from someone other than the issuer, are deemed Partnership Expenses and to the extent such expenses relate to a specific investment are generally capitalized as part of the cost of the investment. To the extent any SunTx affiliate earns any break-up, "topping" or similar fee, such fees offset such expenses. Co-investors may not pay a proportionate share of Dead Deal Expenses or other Deal Expenses that are not charged directly to a Portfolio Company but are instead treated as Partnership Expenses.

In addition, Portfolio Companies will pay directly, or reimburse the SunTx or an affiliate, for consulting fees or other expenses paid to operating partners or consultants, including those with whom the Investment Manager has a business relationship and who share SunTx's office space, for services provided to such Portfolio Companies, provided, the terms of any such payments shall be fair to the Portfolio Company and represent a cost-savings to the terms that would be obtained on an arm's-length basis, taking into account the nature of the transaction and the services, from a nationally recognized consulting firm for the same engagement. SunTx contemplates that such operating partners and consultants will include operating partners and consultants who on a long-term basis spend a majority of their business time and attention providing services for the Partnership's Portfolio Companies. Fees paid to such operating partners and consultants will not reduce Management Fees.

Partnership Expenses also include expenses incurred in the registration or exemption of the Fund; unreimbursed expenses incurred in connection with the collection of amount due to the fund from any person; expenses incurred in connection with alterations and amendments to Governing Documents; out of pocket expenses of the Limited Partner Advisory Committee and Board of Governors, including compensation of the members of the Board; expenses incurred in connection with any fund litigation

and/or any indemnity or payment to any person; all expenses in connection with the dissolution and liquidation of the fund; and all expenses incurred on account of taxes, fees or other governmental charges

The General Partner for each Private Fund is responsible for all administrative and overhead expenses associated with the operation of the General Partner and Investment Manager, fees and expenses of any placement agent retained in connection with the offering of fund interests, and organizational expenses in excess of an amount that is set forth in the Governing Documents for each Private Equity Fund (“**General Partner Expenses**”).

Investors are charged for Partnership Expenses either through a capital call, or through a deduction from available cash held by the Fund, as selected by SunTx. As noted above, Portfolio Companies may reimburse SunTx or a SunTx Affiliate for expenses incurred in connection with such investment. SunTx discloses certain information about the amount and nature of Partnership Expenses in capital call notices and Fund financial statements. However, Fund Investors generally do not receive detailed information regarding specific Partnership Expenses paid. In addition, Investors generally receive limited or no information about the expenses paid or reimbursed by Portfolio Companies.

This section provides an overview of the general fees and expenses to which SunTx Fund Investors are subject but is not an exhaustive list of all Partnership Expenses. Partnership Expenses are described more fully in the Governing Documents for each Fund.

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

As noted above, the SunTx Funds generally pay Carried Interest or performance-based fees to SunTx that are tied to the performance of the relevant Fund. SunTx's receipt of performance-based fees raises certain conflicts of interest, which are described below.

Investment Selection. Performance-based fees and other arrangements where the incentive to achieve gains may exceed the disincentive to suffer losses may cause SunTx to choose investments that are riskier or more speculative than might otherwise have been chosen.

To mitigate these conflicts, SunTx management has invested substantial personal funds in the Private Funds and SunTx's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to the Clients and without consideration of SunTx's (or its personnel's) pecuniary, investment or other financial interests.

Side-by-Side Management. Different SunTx Funds may have different Carried Interest provisions or may be eligible for different Carried Interest allocations based on the investment returns of the Fund. Such differences could incent SunTx to favor one fund over another in its investment allocations, make investments in subsequent Funds that are intended to prop up investments in a prior Fund, or manipulate the sequence of dispositions. These potential conflicts are mitigated to some extent by the Fact that SunTx and its affiliates invest alongside the SunTx Funds and have a shared interest with Fund Investors in maximizing Fund returns. These potential conflicts are further mitigated by the fact that subsequent Funds generally are not launched until the Investment Period for prior Funds has expired; therefore multiple Funds are generally not making new investments concurrently. Parallel Investment Vehicles generally invest in the same securities, at the same time and on the same economic terms. Investments by the SunTx Funds in a Portfolio Company owned by another SunTx Fund or SunTx Affiliate generally must be disclosed to and approved by the Limited Partners Advisory Committee for each relevant Fund to address potential conflicts of interest.

The performance-based fees paid by the SunTx Funds differ from the performance-based fees paid by the Ixthys Funds, as defined in Item 10 below. Such differences in fee structure could theoretically incent SunTx to favor one Fund over another in its investment allocations. This potential conflict is mitigated by the fact that the investment objective and strategy for the SunTx Funds and the Ixthys Funds are inherently different. Therefore, investments that are appropriate for the SunTx Funds will generally not be appropriate for the Ixthys Funds and vice versa. The investment objectives, strategy and guidelines for each Fund are set forth in the Fund's Governing Documents.

ITEM 7: TYPES OF CLIENTS

SunTx provides investment management services solely to the SunTx Funds, which are Private Funds exempt from registration under the Investment Company Act and Securities Act.

Investors in the SunTx Funds are generally institutional investors and certain high net worth investors that are “accredited investors,” “qualified clients” and “qualified purchasers” (if required pursuant to the fund’s exemption), within the meaning of the Securities Act, the Advisers Act and the Investment Company Act, respectively.

The SunTx Funds have a specified minimum investment as set forth in their Governing Documents. This minimum investment is subject to discretion, and SunTx or its affiliates may permit investments of a smaller amount generally or with respect to any Investor.

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

Following is a summary of the investment strategies and risks involved in SunTx's investment activities. Investors and potential investors should review the applicable Governing Documents for the particular SunTx Fund(s) in which they are considering investing for a more comprehensive discussion of the relevant risks associated with investing in that Fund.

Methods of Analysis and Investment Strategies

SunTx focuses on manufacturing, services and distribution businesses headquartered, or with significant operations, in the Sunbelt. SunTx believes the Region offers a large number of compelling investment opportunities given the size and strength of its economy, the strong foundation for further economic growth and capital investment, and the comparatively fewer private equity firms focusing on lower-middle market businesses.

A significant part of SunTx's strategy is to proactively identify investment opportunities and bypass the auction market for companies. Accordingly, SunTx has created a multi-faceted approach to developing investment ideas and sourcing investments, including the following key elements: (i) identifying promising areas of investment through a rigorous research and industry analysis; (ii) leveraging the SunTx's reputation and presence in the Sunbelt to source proprietary opportunities; (iii) backing experienced industry executives or management teams to pursue build-ups and other acquisition opportunities in a particular industry sector; and (iv) avoiding competition by investing in sectors or niches that SunTx believes are either ignored or misunderstood, or businesses that involve significant analytical complexity.

Investment Risks

SunTx's investment activities involve a significant degree of risk. The securities in which a SunTx Fund may invest are highly illiquid and, although these investments may occasionally generate some current income, the return of capital and the realization of gain, if any, from an investment generally will occur only upon the partial or complete disposition of an investment. It is unlikely for there to be a public market for most of the securities recommended by SunTx on behalf of the SunTx Funds, and these securities may require a substantial period of time to liquidate. There can be no assurance that the SunTx Funds will be able to realize returns on its investments it manages or that the returns will be commensurate with the risks of investing in the type of companies and transactions described in the applicable Governing Documents. Accordingly, an investment in the SunTx Funds should only be considered by persons who can afford a loss of their entire investment. Private equity investments made by SunTx involve a number of material risks including (but not limited to) the following:

Possible Lack of Diversification. The SunTx Funds may not be subject to any comprehensive diversification or asset allocation requirements or be limited to a particular investment strategy. To the extent an Account concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to that region, type of security, sector or stage of investment. In addition, a SunTx Fund may participate in a limited number of investments in which case the investment returns of the SunTx Fund could be substantially adversely affected by the unfavorable performance of a single investment.

Competition for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is competitive and involves a high degree of uncertainty. The SunTx Funds may compete with other potential investors including private funds, hedge funds, other financial institutions or other corporate or strategic buyers for limited investment opportunities. As a result, there can be no assurance that a SunTx Fund will be able to locate and complete portfolio investments that satisfy the SunTx Fund's

return objectives or realize their potential values or that the Private Equity Fund will be able to become fully invested for a significant period of time, if at all.

Reliance on SunTx Professionals. The success of SunTx Funds may depend, in substantial part, upon the skill and expertise of the investment professionals of SunTx. There can be no assurance that these SunTx investment professionals will continue to be associated with SunTx throughout the life of a particular SunTx Fund.

Passive Investment in Interests. Investors do not control the day-to-day operations, including investment and disposition decisions, of any SunTx Fund and generally must rely entirely on SunTx, among others, to conduct and manage the affairs of a SunTx Fund.

Market and Economic Risks. Private equity investments in Portfolio Companies may be materially and adversely affected by market, economic, and political conditions globally and in the jurisdictions and sectors in which the investments are made or the portfolio companies operate, including factors affecting interest rates, the availability of credit, currency exchange rates, and trade barriers.

Distribution of Portfolio Companies. The SunTx Funds may receive security positions from a Portfolio Company as part of a distribution or liquidation. These positions will be subject to market risk until liquidated.

Uncertain Nature of Investments. The SunTx Funds may enter into high-risk investment opportunities. Companies in which the SunTx Funds invest may not achieve their expected operational objectives and might experience substantial fluctuations in their operating results. In all these cases, SunTx Funds are subject to the risks associated with the underlying businesses engaged in by Portfolio Companies, including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel and other factors. Potential Investors should realize that realization events could be delayed as a result of general economic conditions, illiquidity of portfolio investments, contractual prohibitions or other reasons mentioned in this Brochure or the applicable Governing Documents.

Illiquid Investments. Although investments by the SunTx Funds occasionally may generate some current income, the return of capital and the realization of gains, if any, from an investment primarily will occur upon the partial or complete disposition of the investment. It generally is expected that the sale of most of the investments will not occur for a number of years after the investments are made. Generally, no public market exists for most of the securities initially held by a SunTx Fund and these securities may require a substantial length of time to liquidate.

Insufficient Capital for Follow-On Investments. From time to time, a Portfolio Company may require additional capital. There is no assurance that a SunTx Fund will make follow-on investments or that the Account will have sufficient resources to, or be permitted to, make these follow-on investments. A decision to not make follow-on investments or its inability to make them may have a substantial negative impact on a Portfolio Company, may result in missed opportunities for a SunTx Fund or may result in dilution of the SunTx Fund's investment.

Investments Longer than Term. The SunTx Funds may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date a SunTx Fund is required to be dissolved, either by expiration of the Fund's term or otherwise. Therefore a risk exists that a SunTx Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Regulatory Approvals. There can be no assurance that a Portfolio Company targeted by SunTx or a SunTx Fund will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a Portfolio Company, the completion of a previously announced acquisition or sales to third parties, or could otherwise result in additional costs to a Portfolio Company.

Inflation Risk. If a Portfolio Company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Some Portfolio Companies may have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. Typically, as inflation rises, a Portfolio Company will earn more revenue, but will incur higher expenses. As inflation declines, a Portfolio Company may not be able to reduce expenses in line with any resulting reduction in revenue. Many businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for these businesses and a reduction in the amount of cash available for distribution to investors.

Leverage. SunTx's private equity investments typically include investments in companies whose capital structures may have leverage. These types of investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. A highly leveraged entity may be subject to restrictive covenants imposed by lenders restricting its activity, or may be limited in making strategic acquisitions, or obtaining additional financing, and will have increased exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the Portfolio Company or its industry. Securities acquired by SunTx for a SunTx Fund, either directly or indirectly through a Portfolio Company, may be the most junior in what will typically be a complex capital structure, and thus subject to the terms of the relevant financing and a lender decides to enforce its creditor rights. Events of default may in some cases be triggered by events not related directly to the borrower itself, such as the insolvency of a guarantor. SunTx's and a SunTx Fund's ability to achieve attractive rates of return will depend on its ability to access sufficient sources of indebtedness at attractive rates. An increase in either interest rates or risk spreads demanded by leverage providers could make it more expensive to finance SunTx's or a SunTx Fund's investments and could make it more difficult to compete for new investments with other potential buyers who have a lower cost of capital. In addition, a portion of the indebtedness used to finance investments may include high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when SunTx or a SunTx Fund may not be able to access those markets at attractive rates, or at all, when completing an investment.

Minority Investment Positions. Investments may be made by SunTx in Portfolio Companies in conjunction with one or more other investors. Although SunTx typically will negotiate shareholder rights that give it significant influence over the direction of the Portfolio Company, certain major decisions generally may require the consent of other investors, thereby lessening SunTx's control and, therefore, its ability to protect the position of the relevant SunTx Fund.

ITEM 9: DISCIPLINARY INFORMATION

SunTx is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SunTx or the integrity of SunTx's management.

SunTx has no information to disclose in response to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SunTx & Affiliated Entities. SunTx is affiliated with SunTx II and SunTx SBIC, which are private equity fund managers to the SunTx Funds, and with Ixthys Capital Management, LLC (“***Ixthys***”), a sister firm that manages hedge funds (the “***Ixthys Funds***”) as a complementary investment alternative to the SunTx Funds. SunTx II, SunTx III, SunTx SBIC and Ixthys are each “Relying Advisers” of SunTx and their activities and the activities of their employees and the persons acting on their behalf are subject to SunTx’s supervision and control. SunTx and each Relying Adviser are subject to the Advisers Act and operate under a unified compliance program administered by a single compliance officer in accordance with the Advisers Act. SunTx and each Relying Adviser share the same office space and personnel. Therefore, certain employees will share their time between SunTx and Ixthys activities.

General Partners. As described in Item 4, the SunTx Affiliates each serve as general partners to one or more of the SunTx Funds. SunTx is further affiliated with the general partner, and the general partner to the general partner, of the Ixthys Funds.

Private Funds. Each of the SunTx Funds are affiliated Funds. In addition, the SunTx Funds are sister funds of the Ixthys Funds. Investors may invest in more than one SunTx Fund and Investors in the SunTx Funds may also invest in the Ixthys Funds, to the extent that they are eligible. SunTx is under no obligation to make these types of investments available, investments may not be appropriate for every Investor, and persons offered the opportunity to invest in multiple Private Funds recognize that SunTx is making the opportunity available based solely on its knowledge of the Investor’s eligibility for such Fund. SunTx will not consider whether the investment is appropriate for the Investor and neither is providing investment advice in making the opportunity available. Investors should consider all available information about such Funds, in light of their particular circumstances, prior to making an investment and, as a result, not all persons offered this opportunity will choose to invest. Further information about the SunTx Funds, and their investments, can be found in the Governing Documents, which are made available to current and qualified prospective Investors.

Co-Investments. Certain of the SunTx Funds may enter into co-investment arrangements with Fund Investors or other third-party investors and make investments with these Investors or other third-party investors in Acquisition Vehicles managed by SunTx that were created solely for purposes of the co-investment arrangement. Pursuant to its Governing Documents, Fund III will generally allocate co-investment opportunities to Eligible Limited Partners (i.e., those with commitments in excess of \$30 million) on a pro rata basis based on their respective capital commitments. Except as otherwise provided in Fund Governing Documents, SunTx is under no obligation to make co-investment opportunities available to Investors. SunTx identifies potential co-investors, including SunTx Fund Investors and other third-party investors, based upon its knowledge of the potential co-investor’s knowledge and expertise, resources, interest and ability to make such co-investments in a timely manner.

Portfolio Company Activities. Certain SunTx employees, officers and/or affiliates serve (and may in the future serve) as directors, officers or committee members of various Portfolio Companies. Such persons could face conflicts of interest between discharging their duties to the Portfolio Companies and acting in the best interest of the SunTx Funds. While SunTx does not generally charge director fees for SunTx employees serving on portfolio company boards, any compensation received in such capacities as directors, officers or committee members generally will offset Management Fees and/or other Partnership Expenses as discussed in Item 5 above.

Other Activities. SunTx employees are generally expected to devote their full professional time and efforts to the business of the Company and its affiliates and avoid activities that could present actual or perceived conflicts of interest. SunTx employees must generally obtain prior approval from the CCO for

outside activities. Please refer to Item 11 - Code of Ethics for a further discussion on potential conflicts of interest.

Other Registrations. Neither SunTx nor any of its management persons is registered, or has an application pending to register as a securities broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

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

SunTx advises multiple Private Funds that have various investment objectives, guidelines and strategies, as set forth in the Governing Documents for each Fund. In performing its advisory services, SunTx may give advice and take action with respect to any of the SunTx Funds that may differ from actions taken by SunTx on behalf of other SunTx Funds. SunTx is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling for any Client Account any security that SunTx or a related person may buy or sell for its or their own accounts or for any other Clients SunTx manages.

SunTx and the SunTx Affiliates, along with their respective personnel, may invest or otherwise have an interest, either directly or indirectly, in the SunTx Funds and/or securities held by the SunTx Funds. SunTx and SunTx Affiliates may enter into transactions with Portfolio Companies, and SunTx Funds may invest in the same Portfolio Companies as other SunTx Funds, which could lead to potential conflicts of interest. In addition, SunTx employees may invest in the Ixthys Funds and securities in which the Ixthys Funds invest or are eligible to invest, which could result in potential conflicts. SunTx has implemented policies and procedures relating to personal securities transactions and insider trading that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur.

Investment & Co-Investment Allocations

The Governing Documents of the SunTx Funds limit investments by SunTx and its affiliates outside the Fund in privately negotiated equity investments of the types to be made by the Fund. SunTx must promptly disclose to the Limited Partner Advisory Committee all investment opportunities in which SunTx or SunTx Affiliates invest consisting of privately negotiated equity investments that meet the investment parameters of, but are not invested in by the fund.

Pursuant to the Governing Documents of the SunTx Funds, in connection with any SunTx Fund investment where the transaction requires or permits a larger investment than appropriate for the Fund, SunTx may in its sole discretion (but shall not be required to), offer to certain Investors the opportunity to co-invest with the fund on such terms and conditions as set forth in Fund Governing Documents or otherwise as the General Partner or Investment Manager determines. SunTx employees do not participate in Co-Investment Opportunities.

Related Party Transactions

Neither SunTx nor any SunTx Affiliate may engage in any principal transaction with a Client unless it complies with applicable law and relevant policies and procedures. In order to ensure that it obtains requisite consent required by Section 206(3) of the Advisers Act, SunTx will not engage in any principal transaction with any SunTx Fund without the prior approval of the Fund's Limited Partner Advisory Committee, except as otherwise permitted by the relevant Fund's Governing Documents.

Code of Ethics

SunTx's Code of Ethics was adopted to govern personal transactions by supervised persons and to assure that their interests do not conflict with the interests of Clients or, as applicable, Investors in the SunTx Funds. As such, SunTx's Code of Ethics includes: (i) standards of business conduct, requiring that supervised persons comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients; (ii) personal securities transaction policies governing the personal investment activities of relevant personnel and requiring the submission by access persons of reports regarding their personal trading accounts and activities; and (iii) an insider trading policy.

Currently, all employees, officers, directors and principals of SunTx are considered to be “Access Persons” for purposes of the Code of Ethics. Personnel who fail to observe the Code of Ethics and related compliance policies risk serious sanctions, including dismissal and personal liability.

Personal Securities Transactions Policy

SunTx’s Code of Ethics also includes a personal securities transactions policy, which imposes certain requirements and restrictions with respect to personal trading and investment activity by Access Persons. In particular, the Code requires Access Persons to obtain the approval of the CCO prior to investing in initial public offerings (“*IPOs*”) and private placements. SunTx maintains and periodically updates a Restricted List, to reflect actual or potential investment activities of the Clients or other receipt of potential material non-public information. Access Persons are also prohibited from investing in securities listed on the firm’s Restricted List without prior approval by the CCO. Access Persons are prohibited from buying or selling any security that is held by or under consideration for purchase or sale by the Ixthys Funds. In appropriate circumstances the CCO may grant waivers to the Code’s restrictions.

Insider Trading Policy

SunTx and its related persons may, from time to time, come into possession of material nonpublic and other confidential information, which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, SunTx may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether that other person is a Client. Accordingly, should SunTx come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating that information to, or using that information for the benefit of its Clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use that information for the benefit of, the Clients when following policies and procedures designed to comply with law. Accordingly, SunTx’s Code establishes procedures to prevent the misuse of material nonpublic information by SunTx’s supervised persons.

Reporting Requirements under the Code

To assist SunTx in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code, fiduciary duty or applicable law, Access Persons must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings in certain, reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted to and reviewed by the CCO or the CCO’s designee.

Gifts and Entertainment

SunTx employees may on occasion accept gifts or invitations to entertainment but must always act in the best interest of SunTx and its Clients and avoid any activity that might create an actual or perceived conflict of interest or impropriety in the course of the Company’s business relationships. SunTx’s gifts and entertainment policy implements internal controls to monitor such activity, which include (among others):

- Requiring employees to obtain pre-clearance from the CCO before accepting gifts and entertainment of significant value; and
- Prohibiting more than four gifts or entertainment given or sponsored by the same person or entity without pre-approval from the CCO.

ITEM 12: BROKERAGE PRACTICES

SunTx does not typically use brokers to transact for the SunTx Funds. On occasion, the SunTx Funds may receive public security positions from a Portfolio Company as part of a distribution or liquidation of that Portfolio Company. In situations where SunTx chooses the broker-dealer to liquidate these positions, SunTx, consistent with its duty to seek best execution, selects brokers and dealers based upon their reputation, quality of service, and ability to liquidate the particular security.

When selecting a broker or dealer, SunTx will take into account factors such as execution capabilities, commission rates, responsiveness and financial responsibility. In applying these factors, SunTx recognizes that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction.

Soft Dollars. SunTx's current policy is not to use commissions generated by trading for the SunTx Funds to pay for third party research services.

Brokerage for Client Referrals. SunTx does not use brokerage relationships for client referrals.

ITEM 13: REVIEW OF ACCOUNTS

Reviews. The SunTx Funds are reviewed by the SunTx Investment Team on a semi-annual basis. The SunTx Investment Team, comprised of senior executive members of SunTx, reviews, among other items, market outlooks and data related to the Portfolio Companies in each Private Fund such as reporting and valuations.

Reports. Investors generally receive quarterly written reports from SunTx detailing, at a minimum, a description of the SunTx Fund holdings, financial statements and a capital account statement. Investors in each SunTx Fund receive periodic reports, communications and/or statements, as set forth in the relevant Fund's Governing Documents or as otherwise agreed.

Additionally, SunTx generally provides annual audit reports to each Investor in the SunTx Funds within 90 or 120 days (as set forth in each Private Fund's Governing Documents) after the end of the relevant Private Fund's fiscal year. Unaudited financial statements are provided to Investors in certain Acquisition Vehicles. Reports may include or be accompanied by information with respect to the performance of the Private Fund, information about the Investor's capital account and certain tax-reporting information (e.g., Form K-1).

Representatives of SunTx may be made available for discussions with Investors on a periodic or agreed upon basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

SunTx has entered into an agreement with Sixpoint Partners LLC (“***Sixpoint***”) to act as placement agent with respect to Fund III and affiliated investment entities. Pursuant to such placement agent agreement, Sixpoint will be paid a monthly retainer and will receive a percentage of capital commitments of investments in Fund III, subject to certain limitations as set forth in the placement agent agreement, which may be offset by a portion of the retainer amount.

Neither SunTx nor any SunTx Affiliate generally receives any economic benefit from a non-client for providing investment advice or other advisory services to its Clients, except that SunTx or its affiliates may receive certain fees from Portfolio Companies, or in connection with Portfolio Company investments, as described in Item 5 above. As described more fully in each SunTx Fund’s Governing Documents, such fees – after deduction for unreimbursed expenses – generally offset management fees and/or reduce Fund expenses.

ITEM 15: CUSTODY

Due to its affiliation with the General Partner for each Private Fund and Private Client, SunTx is generally deemed to have custody of Client funds and securities for purposes of Rule 206(4)-2 under the Advisers Act.

In order to comply with Rule 206(4)-2, SunTx utilizes the services of qualified custodians (as defined under Rule 206(4)-2) to hold Clients' assets, to the extent required by the Rule. SunTx also ensures that each qualified custodian maintains these assets in an account that contains only Clients assets, under the Client's name. In accordance with Rule 206(4)-2, SunTx also (i) engages an independent auditor registered with and subject to inspection by the PCAOB to audit each SunTx Fund at the end of each fiscal year and (ii) distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to all Investors within 120 days after the end of the fiscal year for each SunTx Fund.

The assets of certain Acquisition Vehicles are not subject to separate financial statement audits, but rather are considered within the scope of the financial statement audits of the SunTx Fund in which the Portfolio Company is ultimately held. Any Acquisition Vehicle in which there are third party investors is treated as a separate Client for purposes of Rule 206(4)-2. Accordingly, SunTx has (i) engaged a public accountant registered with the PCAOB to conduct a surprise examination that includes the assets of such Acquisition Vehicles; (ii) provided notice to Investors in such Acquisition Vehicles regarding the qualified custodians where assets are held; and (iii) ensured that the qualified custodians send account statements directly to Investors at least quarterly.

ITEM 16: INVESTMENT DISCRETION

SunTx provides investment advisory services to the SunTx Funds on a discretionary basis, subject to the overall supervision of the General Partner. The investment objectives and restrictions of the SunTx Funds are set forth in the relevant Governing Documents. Investors in the SunTx Funds do not have authority to impose any restrictions upon SunTx's discretionary authority. However, SunTx may, under certain circumstances, enter agreements or side letters with Investors that limit certain fund investments to address specific legal, regulatory, tax or policy restrictions of the Investor.

ITEM 17: VOTING CLIENT SECURITIES

Investors in the SunTx Funds cannot direct how proxies for securities held in Private Funds are voted and therefore SunTx is generally responsible for voting proxies with respect to securities held in the Private Funds. SunTx does not typically invest in or hold publicly-traded securities in the Private Equity Funds and, therefore, historically has not typically voted proxies. However, SunTx may on occasion hold public securities, which may be subject to proxy votes. SunTx does not vote or review proxies on securities held by underlying Portfolio Companies.

SunTx has adopted Proxy Voting Policies and Procedures (the “*PVPs*”) designed to ensure that, in the event that SunTx is in a position to vote proxies and deems it in the Clients’ best interest to do so, the firm will vote such proxies based on what it considers to be in the best financial interest of the SunTx Funds and Fund Investors.

SunTx Fund Investors may receive a copy of the PVPs, as well as information on how proxies were voted for the SunTx Funds by request.

ITEM 18: FINANCIAL INFORMATION

SunTx is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.