

Part 2A of Form ADV: Brochure

FCP Fund Manager, LLC

c/o Federal Capital Partners
5425 Wisconsin Avenue
Suite 202
Chevy Chase, MD 20815
Tel: (240) 395-2000
Fax: (240) 395-2050
<http://www.fcpdc.com/>

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This brochure provides information about the qualifications and business practices of FCP Fund Manager, LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (240) 395-2000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about FCP Fund Manager, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

This brochure refers to FCP Fund Manager, LLC as a “registered investment adviser” and as being “registered” with the SEC. Registration with the SEC as an investment adviser does not imply that FCP Fund Manager, LLC possesses a certain level of skill or training.

Item 2 – Material Changes

None.

Item 3 – Table of Contents

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Item 4 – Advisory Business

The Adviser, headquartered in Chevy Chase, MD, has served as the investment adviser to the private real estate investment funds (collectively, the “FCP Funds,” and individually, each an “FCP Fund”) sponsored by Federal Capital Partners since 2008. The FCP Funds are privately offered real estate investment vehicles that are structured as Delaware limited partnerships, each managed by a general partner which is an affiliate of the Adviser.

The FCP Funds primarily invest in residential real estate assets including multifamily apartment communities, for sale residential properties, commercial properties, including industrial office and retail assets, and distressed real estate mortgage and notes. The Adviser’s principal owners are Esko I. Korhonen, Lacy I. Rice, and Thomas A. Carr, each with ownership of more than 25% interest in the Adviser, and Alex J. Marshall who owns the remaining interest in the Adviser (collectively, the “Principals”).

With respect to each FCP Fund, the Adviser forms a wholly-owned and managed subsidiary which enters into the management agreement with the applicable FCP Fund and its general partner. Through these subsidiaries, the Adviser provides discretionary investment advisory services to the FCP Funds and their respective general partners and investment committees. The Adviser’s services are tailored to the needs of each FCP Fund and include advice on acquiring, developing, repositioning, managing, financing and disposing of real estate assets. The Adviser provides services in accordance with the investment objectives, guidelines, and restrictions in the partnership agreement (the “Partnership Agreement”) and other offering documents, including the private placement memorandum, of the applicable FCP Fund (the “Governing Fund Documents”). For purposes of this brochure, when we discuss the services being provided by the “Adviser” or the compensation being received in connection therewith, we refer to the services being provided by the Adviser or the compensation being received by the Adviser through such wholly-owned subsidiaries.

As of December 31, 2016, the Adviser was the investment adviser to four FCP Funds with approximately \$2.7 billion in assets under management (including capital commitments of the investors in the FCP Funds), all of which were managed on a discretionary basis. Although the general partners retain the ultimate decision making authority under the applicable Partnership Agreements of the FCP Funds, the Adviser reports its assets under management as being managed on a discretionary basis because the investment decisions with respect to each FCP Fund’s investments are made by the investment committee of the respective general partner of the FCP Fund, the voting members of which are the Principals.

The Principals of the Adviser are also the principals of the general partners of the FCP Funds. These general partners will look to and rely on the registration of the Adviser, and are not themselves registering as investment advisers. In addition, the Adviser’s wholly owned

subsidiaries that are listed in Part 1 of this Form ADV will also look to and rely on the registration of the Adviser.

Limited partnership interests in the FCP Funds are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and the FCP Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), in reliance to the available exemptions to the registration requirements. Accordingly, interests in the FCP Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

Item 5 – Fees and Compensation

Management Fees

The Adviser receives compensation from each FCP Fund pursuant to the terms of the management agreement with the applicable FCP Fund. Each management agreement specifies the amount of the Adviser's management fees and the method by which the fees will be calculated. The fees are also stated in each FCP Fund's Partnership Agreement.

The Adviser charges annual management fees that are generally based on a percentage of committed or invested capital. The Adviser's management fees are generally paid quarterly in advance based on the management fee calculation method and timing described in the applicable management agreement and the Partnership Agreement of each FCP Fund. Because the Adviser has registered as an investment adviser with the SEC under the Advisers Act, and this brochure is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act, a fee schedule is not provided.

Other Fees

Pursuant to the provisions of the respective Partnership Agreements, the FCP Funds make carried interest distributions to entities organized by Federal Capital Partners ("FCP"), the sponsor of the FCP Funds, to allow the Principals and certain employees of FCP to participate in the capital investments in the FCP Funds and to receive the carried interest. The carried interest is calculated as a percentage of the investment proceeds otherwise allocable to the limited partners of the FCP Funds, after each limited partner has received distributions equal to the capital contributed to the applicable FCP Fund and preferred return on such amounts, as disclosed in the Partnership Agreement of each FCP Fund.

FCP Funds currently retain affiliates of FCP and the Adviser to provide related services with respect to the FCP Funds' real estate investments (including, leasing, construction management, property management and other property-related services). The charges incurred by the FCP Funds in connection with such services must be at rates set forth in the applicable FCP Fund's Partnership Agreement or approved by the advisory committee of the applicable FCP Fund. In addition, affiliates of FCP may also accept certain fees, rebates, payments or reimbursements received from third parties relating to investments made on behalf of the FCP Funds, as more specifically set forth in the Partnership Agreement of each FCP Fund.

Each FCP Fund bears its own organizational and ongoing operational expenses as set forth in each FCP Fund's Governing Fund Documents.

Neither the Adviser nor any of its supervised persons accepts compensation for the sale of securities.

Each FCP Fund's Governing Fund Documents include further details on fees, compensation and related matters.

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

Neither the Adviser nor its supervised persons accept performance-based fees. However, the FCP Funds pay carried interest on the cash proceeds available for distribution to FCP Fund investors to the entities, in which Principals and certain employees of FCP are indirect members, as described in Item 5 of this brochure.

As described in Item 5, these entities are organized primarily to allow the Principals and certain employees of FCP to participate in the capital investments in the FCP Funds and to receive the carried interest. The carried interest is calculated as a percentage of the investment proceeds otherwise allocable to the limited partners of the FCP Funds, after each limited partner has received distributions equal to the capital contributed to the applicable FCP Fund and preferred return on such amounts, as disclosed in the Partnership Agreement of each FCP Fund.

This compensation structure may create an incentive for the Adviser to recommend investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement to the FCP-affiliated entity. However, the Adviser manages each FCP Fund in accordance with the investment strategy disclosed in the FCP Fund's Governing Fund Documents and the Adviser has fiduciary obligations to the FCP Funds.

Item 7 – Types of Clients

The Adviser provides investment advisory services to the FCP Funds, the private real estate investment funds that principally invest in projects such as those described in Item 4 of this brochure. Each FCP Fund is a qualified purchaser under the Investment Company Act and an accredited investor under Regulation D of the Securities Act. Investors in the FCP Funds are all “accredited investors” under Regulation D of the Securities Act and some are qualified purchasers under the Investment Company Act. The minimum capital commitment for each FCP Fund is set forth in the respective FCP Fund’s Governing Fund Documents.

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

Investment Strategy

The investment strategy of the Adviser is to use its disciplined underwriting process that considers barriers to entry, discounts to replacement costs, ability to create value utilizing management and financial expertise as well as multiple exit strategies to create value and maximize the cash flow from each real estate investment.

The FCP Funds primarily invest in residential real estate assets including multifamily apartment communities, for sale residential properties, commercial properties, including industrial office and retail assets, and distressed real estate mortgage and notes. In particular, the FCP Funds invest in the real estate assets utilizing the strategies listed below:

- acquiring, repositioning and managing high-rise and garden multifamily properties that have been under-capitalized and/or under-managed;
- acquiring, repositioning and/or redeveloping commercial property, including industrial, office and retail assets. The Adviser takes an opportunistic investment approach in its investment strategy in order to target attractive relative returns in the commercial property sector;
- acquiring positions in residential and commercial development projects through various parts of the capital stack as well as joint ventures when the risk adjusted returns justify new construction;
- developing residential condominiums or converting existing rental apartments to condominiums when market conditions are favorable in the for sale residential market;
- providing debt or equity capital to existing under-capitalized sponsors to target above-market risk adjusted returns; and
- acquiring discounted mortgage and mezzanine notes in order to gain ownership of properties.

The key factors underlying Adviser's investment strategy with respect to the FCP Funds are:

- Geographic Focus: The FCP Funds make real estate investments in the Eastern United States.
- Flexible, Multi-Product Investment Strategy: The FCP Funds invest in different product types allowing them to take advantage of market and/or property cycles in order to optimize risk-adjusted returns.

- Realistic Investment Parameters: The FCP Funds have asset hold periods generally from 4 to 7 years and the FCP Funds employ leverage as set forth in the Partnership Agreement of the applicable FCP Fund on a portfolio basis. The Adviser seeks to ensure that each asset is well-positioned in its respective market to take advantage of multiple exit strategies and utilizes hands-on operating expertise to realize the full value of each asset.

Method of Analysis

The Adviser follows an investment process that is subject to overall policy direction of an investment committee of the applicable FCP Fund. The stages of the investment process are described below:

- Origination: The Adviser's investment origination efforts are driven by the investment committee's extensive local relationships.
- Property Due Diligence: The Adviser uses its management and real estate experience to analyze property operations and the potential to create value through repositioning an asset. The Adviser conducts a comprehensive diligence review during the acquisition process.
- Structuring and Financing: The Adviser employs various capital structures and financing techniques for each asset to attain the optimum leveraged yield, including:
 - matching projected asset hold periods with debt terms;
 - a mix of fixed/floating debt;
 - ability to monetize increased cash flows; and
 - ability to take advantage of dislocations in the debt market to purchase debt instruments in order to ultimately control and own the underlying assets.
- Investment Committee: Upon the completion of the underwriting and due diligence, the investment opportunity is submitted for approval to the investment committee. Each Principal is a member of the investment committee and a unanimous approval is required for investments.
- Asset/Project Management: The Adviser provides the strategies to improve property cash flow, including:
 - enhancing "curb appeal" by improving common areas, landscaping and amenities;
 - renovating multifamily units as the units turn over;
 - capital investments to improve operating efficiency by correcting deferred maintenance or installing new systems;
 - re-tenanting and bringing below-market rents to market;

- repositioning commercial assets with improvements to common areas and building systems;
 - implementing an aggressive asset management plan including: (i) standardized monthly reporting and inspections; (ii) strategy reviews with on-site managers and leasing agents; and (iii) detailed operating and capital improvement budgets.
- Disposition Strategy: The Adviser continuously assesses the merits of holding or selling assets. As part of this process, the Adviser analyzes recapitalizations, dispositions or other means of generating profits for the respective FCP Fund.

None of the FCP Funds may invest more than a certain percentage of their assets in a single property. The debt that the FCP Funds are permitted to incur is limited to a certain percentage of the value of their assets. These and other limitations are provided for in the respective Partnership Agreements of each of the FCP Funds.

Risks

The Adviser's investment strategies and method of analysis involve the following material risks with respect to the FCP Funds' investments:

- Real Estate Investments Are Illiquid. Real estate assets are relatively illiquid. Accordingly, the ability of the FCP Funds to vary their portfolio of real estate assets in response to changes in economic and other conditions is limited.
- Portfolio Concentration May Negatively Affect Returns. Although there are limits on the amounts of capital commitments that may be invested in any single investment or class of investments, diversification is not an objective of the FCP Funds. If any large position of an FCP Fund sustains a material loss, the returns to the investors may be lower than if the FCP Fund had invested in a more diversified portfolio.
- Leverage Increases Exposure to Loss. The entities in which the FCP Funds invest customarily leverage their investments, and subject to certain limitations, such entities will not be limited in the amount of indebtedness they can incur. Leverage will increase the exposure of such investments to adverse economic factors, such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the investment or its corresponding market.
- Concentration of Investments in Real Estate in a Limited Geographic Area. The FCP Funds invest in real estate in the Mid-Atlantic region of the United States and focus their investments in particular in the Washington, D.C. metropolitan area. This makes the FCP Funds more susceptible to downturns in the Mid-Atlantic real estate market and the performance of the FCP Funds' investments will depend to a significant extent upon the general economic and business conditions in the Mid-Atlantic area.

- New Developments and Acquisitions May Fail to Perform as Expected. If anticipated future acquisitions do not occur as expected, or anticipated partners in such projects do not ultimately co-invest, the financial performance of the FCP Funds will be adversely affected. In addition, investments in projects in the pre-development and development stages are subject to a number of additional risks, including construction delays, complications in obtaining necessary zoning, occupancy and other governmental permits, cost overruns, financing risks, and the possible inability to meet expected occupancy and rent levels. If any of these problems occur, development costs for a project may increase and there may be costs incurred for projects that are ultimately not developed.
- Investments with Third Parties May Conflict with the FCP Funds' Ability to Achieve Their Investment Objectives. The FCP Funds may co-invest with third parties in some of their investment opportunities and may make investments in operating companies controlled by others. Therefore, the FCP Funds may have only a limited ability to protect their interests in such investments and such third party partners may have economic or business interests or goals which are inconsistent with those of the respective FCP Fund, or may be in a position to take action contrary to the FCP Fund's interests.
- The Value of Real Estate Is Dependent on Conditions Beyond the FCP Funds' Control. The FCP Funds invest principally in real estate and real estate-related assets, which are subject to varying degrees of risk generally incident to the ownership of real property. Revenues may be negatively affected by adverse changes in regional, national or local economic conditions, competition from other properties offering the same or similar services, the ongoing need for capital improvements (particularly in older structures), adverse changes in governmental rules and fiscal policies, civil unrest, acts of terrorism, acts of God, natural disasters (which may result in uninsured losses), acts of war, adverse changes in laws, and other factors which are beyond the control of the FCP Funds.
- The Volatility of Real Estate Values. Real estate values and income derived from real estate investments are subject to volatility and may be affected adversely by a number of factors, including, without limitation: national, regional and local economic conditions; local real estate conditions; changes or continued weakness in specific industry segments; perceptions by prospective tenants of the safety, convenience, services and attractiveness of the property; the willingness and ability of the property's owner to provide capable management and adequate maintenance; construction quality, age and design; demographic factors; retroactive changes to building or similar codes; and increases in operating expenses.
- Investing in Real Estate Has Risks of Environmental Liabilities. Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of certain

hazardous substances released on, about, under or in its property. The presence of hazardous substances, or the failure to remediate hazardous substances properly, may adversely affect the FCP Funds' ability to sell or use real estate or to borrow outside funds using real estate as collateral and may lead to claims of personal injury, property damage or other claims by private plaintiffs.

- Access to Off-Market Transactions. The Adviser's investment strategy depends in part on its ability to recommend to the FCP Funds the acquisition of real estate assets through off-market transactions. The Adviser's ability to recommend such transactions could be affected by personnel changes in its management or the management of its affiliates, changes in the real estate markets in which the FCP Funds invest, and other factors. Performance of the FCP Funds could be adversely affected if the Adviser's access to off-market transactions were reduced.
- Dependence on Principals. The performance of the Adviser and the FCP Funds depends in significant part on the Principals. If any of the Principals discontinues his active and significant involvement with the Adviser or the general partners of the FCP Funds, the FCP Funds' performance may be adversely affected.
- Credit Market Risk. Credit market conditions can adversely affect the financial conditions of the FCP Funds' investments and the FCP Funds' ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of default, the FCP Funds could lose both invested capital in, and anticipated profits from, the affected investments. Such marketplace events may cause a decrease in the availability of financing (and an increase in the interest cost) for leveraged transactions, which may impair the FCP Funds' ability to consummate these transactions and may cause the FCP Funds to enter into such transactions on less attractive terms.

Item 9 – Disciplinary Information

Neither the Adviser nor any supervised person of the Adviser or its affiliates has been involved since the inception of FCP in 2008 in any legal or disciplinary event that would be material to a client or investor's evaluation of the Adviser or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its management persons is a registered broker-dealer or registered representative of a broker-dealer, a registered futures commission merchant, commodity pool operator, commodity trading advisor, or associate of any such entities.

The Adviser is an affiliate of FCP, a real estate investment management company. The Adviser, through wholly owned subsidiaries of which it is the managing member (as set forth on Schedule D of Part 1A Form ADV), provides investment advisory services to the FCP Funds, which are related persons and does not recommend or select other investment advisers for the FCP Funds.

Other than these relationships, the Adviser and its management persons do not have material relationships with related persons who are (1) broker-dealers, municipal securities dealers, or government securities dealers or brokers; (2) investment companies or other pooled investment vehicles; (3) investment advisers or financial planners; (4) futures commission merchants, commodity pool operators, or commodity trading advisors; (5) banking or thrift institutions; (6) accountants or accounting firms; (7) lawyers or law firms; (8) insurance companies or agencies; (9) pension consultants; (10) real estate brokers or dealers; or (11) sponsor or syndicators of limited partnerships.

As previously described in Item 5, the Adviser has a number of affiliated entities that currently provide services with respect to the FCP Funds' real estate investments including, leasing, construction management, property management and other property-related services. Please review Item 5 for additional details related to their relationship with the Adviser and the services provided to the FCP Funds.

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

Code of Ethics

As an investment adviser registered with the SEC under the Advisers Act, the Adviser has adopted a Code of Ethics (the “Code”) that sets forth standards of conduct and requires compliance with federal securities laws and its fiduciary obligations as an adviser to the FCP Funds. The Code applies to all persons defined as Access Persons under SEC Rule 204A-1. The Code outlines policies in several areas, including: standards of conduct and compliance with laws, rules and regulations; protection of material non-public information; and personal securities trading and reporting policies and procedures. Upon request, the Adviser will provide a copy of the Code to any client or prospective client.

Under the Code, Access Persons must comply with all laws, rules, and regulations applicable to its operations and business. The Adviser also expects its Access Persons to comply with all applicable internal policies and procedures and to seek guidance from compliance or management personnel when in doubt about any contemplated course of action.

The Code requires Access Persons to maintain the confidentiality of all confidential or proprietary information regarding the Adviser and the FCP Funds, except when disclosure is mandated by law. The Code emphasizes that, under federal securities laws, persons may not trade in securities while possessing material, non-public information concerning the issuer of those securities, nor may persons share that information with others who may trade in that issuer’s securities.

The Code bars the Adviser and its employees from effecting transactions with an FCP Fund as principal without full disclosure to and informed consent by the FCP Fund. The Adviser’s officers, directors, employees, and other Access Persons are also barred from using information about investments or prospective investments of the FCP Funds, or their ability to influence those prospective investments, for personal gain or in a manner detrimental to the interests of the Adviser or the FCP Funds.

All Access Persons must report to the Adviser periodically their personal securities transactions and holdings. Access Persons must obtain pre-clearance before purchasing securities in any initial public offering, private placement, or other limited offering. Otherwise, no pre-clearance of personal securities transactions in publicly traded securities is required. The Adviser’s compliance personnel will monitor Access Persons’ personal securities transactions to ensure that no transactions raise the appearance of potential trading on non-public information.

The Chief Compliance Officer will also maintain a list of public securities about which the Adviser has non-public information (the “Restricted List”). Access Persons must obtain

clearance before executing a transaction in any of the public securities on the Restricted List. Apart from securities on the Restricted List, no pre-clearance of personal securities transactions in publicly traded securities is required.

All Access Persons are required to promptly report any actual, apparent, or suspected violations of the Code to compliance personnel or their supervisor. Each Access Person has received a copy of the Code. Access Persons must certify annually that they have been provided a copy of the Code and that they have agreed to be bound by its provisions. An Access Person may be subject to discipline for violations of the Code.]

Participation or Interest in Client Transactions

As a fiduciary, the Adviser must put the interests of the FCP Funds before its own interests. Each FCP Fund maintains a committee consisting of voting representatives, and may include non-voting representatives, each of which is a representative of a limited partner that is not in default and is selected and agreed upon by the general partner of the applicable FCP Fund (the “Advisory Committee”). An FCP Fund must obtain approval of its Advisory Committee before investing in an opportunity that materially deviates from the FCP Fund’s investment restrictions, engaging in a transaction with any affiliate of the FCP Fund or the Adviser (other than those provided for in the Partnership Agreement), or taking other actions, as set forth in the Partnership Agreement of the applicable FCP Fund. The requirement of obtaining Advisory Committee approval and the Adviser’s fiduciary duties mitigate any potential conflict of interest that may arise from the transactions below.

Interest in Client Transactions: The FCP Funds make debt and equity investments in real estate assets. Affiliates of the Adviser may make direct and indirect investments of their own capital in the FCP Funds through, for example, direct investments, or performance allocation, including carried interest. Aside from these transactions, the FCP Funds do not invest in securities in which the Adviser or a related person has a material financial interest.

Investments by Related Persons: The Adviser itself does not invest in the same securities that it recommends to the FCP Funds. However, because all of the FCP Funds are related persons, related persons of the Adviser invest in the same type of opportunities that the Adviser recommends to each FCP Fund. An FCP Fund generally does not invest in the same opportunities in which other FCP Funds invest and the general partners, their affiliates and the Principals must generally present to an FCP Fund for possible investment all opportunities to invest in real estate assets, with some limited exceptions including investments under a certain value. However, opportunities to make a follow-on investment in any real estate asset or similar investment that was in existence at the time of an FCP Fund’s formation do not have to be presented to the applicable FCP Fund. Aside from these transactions, the FCP Funds do not invest in securities in which a related person of the Adviser also invests.

Concurrent Investments by Related Persons: Although all of the FCP Funds are related persons, their investment periods generally do not overlap. Prior to the earlier of the end of an FCP Fund's investment period and the time that 70% of its commitments have been invested or committed to be invested, the general partner and the Principals are barred from organizing another investment fund with objectives similar to those of the respective FCP Fund. Therefore, the Adviser generally does not recommend the purchase of securities to an FCP Fund while at the same time the Adviser or related person buys or sells the same securities.

Item 12 – Brokerage Practices

As a matter of their investment policy, the FCP Funds invest through private transactions that do not involve the selection, recommendation, or compensation of any securities broker-dealers.

Item 13 – Review of Accounts

The investment portfolios of the FCP Funds are reviewed at least quarterly by the Principals for compliance with their investment guidelines and strategies. The Adviser also provides quarterly and annual written reports to the FCP Funds and their respective investors, which include valuations of the investments made by the applicable FCP Fund.

Item 14 – Client Referrals and Other Compensation

The Adviser does not receive an economic benefit for providing investment advice or other advisory services from anyone other than the FCP Funds. Neither the Adviser nor any related person has directly or indirectly compensated any non-supervised persons for client referrals.

Item 15 – Custody

Under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), the Adviser does not have custody of the assets of the investors in the FCP Funds. Rather, the general partners of the FCP Funds are deemed to have custody of those assets. To comply with the Custody Rule, the FCP Funds will prepare annually, and upon liquidation, financial statements audited by an auditing firm registered with the Public Company Accounting Oversight Board. The FCP Funds will distribute those statements within 120 days of year end or promptly upon liquidation.

The FCP Funds maintain custody of cash funds with a qualified custodian. If the FCP Funds make investments that are not covered by an exception for private securities, it will engage a qualified custodian to hold the securities.

Item 16 – Investment Discretion

Investment decisions for the FCP Funds are made through the investment committee of the general partners, the voting members of which are the Principals. While under the respective Partnership Agreements of the FCP Funds the general partners retain ultimate decision making authority, as a general matter, given the commonality of ownership of the Adviser and each general partner and the composition of the investment committee, the general partners approve the recommendations of the Adviser. Accordingly, the Adviser reports all assets under management as managed on a discretionary basis.

Item 17 – Voting Client Securities

Under Rule 206(4)-6 of the Advisers Act, registered investment advisers that exercise voting authority with respect to client securities are required to have proxy voting policies and procedures. As a matter of their investment policies, the FCP Funds do not hold publicly traded securities; therefore, the Adviser does not expect to receive proxy statements.

Item 18 – Financial Information

Not Applicable.