

**Item 1 – Cover Page**

**Form ADV Part 2A: Firm Brochure**

**CENTERFIELD MANAGEMENT III, INC.**

10 W Market Street  
Suite 3000  
Indianapolis, IN 46204  
T: 317-237-2323  
F: 317-237-2325  
[www.centerfieldcapital.com](http://www.centerfieldcapital.com)  
March 31, 2018

This Brochure provides information about the qualifications and business practices of Centerfield Management III, Inc. (“Centerfield”, “us”, “we” or “our”). If you have any questions about the contents of this Brochure, please contact us at 317-237-2323 and/or [jackie@centerfieldcapital.com](mailto:jackie@centerfieldcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Centerfield Management III, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

There are no material changes to this Brochure since our last annual amendment dated May 1, 2017. However, certain non-material changes have been made to this Brochure since our last submission and consequently, we urge you to review this Brochure in its entirety.

<b><u>ITEM 4 – ADVISORY BUSINESS</u></b> .....	<b><u>1</u></b>
<b><u>ITEM 5 – FEES AND COMPENSATION</u></b> .....	<b><u>2</u></b>
<b><u>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT</u></b> .....	<b><u>3</u></b>
<b><u>ITEM 7 – TYPES OF CLIENTS</u></b> .....	<b><u>3</u></b>
<b><u>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</u></b> .....	<b><u>4</u></b>
<b><u>ITEM 9 – DISCIPLINARY INFORMATION</u></b> .....	<b><u>10</u></b>
<b><u>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</u></b> .....	<b><u>10</u></b>
<b><u>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN FUND TRANSACTIONS AND PERSONAL TRADING</u></b> .....	<b><u>10</u></b>
<b><u>ITEM 12 – BROKERAGE PRACTICES</u></b> .....	<b><u>13</u></b>
<b><u>ITEM 13 – REVIEW OF ACCOUNTS</u></b> .....	<b><u>13</u></b>
<b><u>ITEM 14 – FUND REFERRALS AND OTHER COMPENSATION</u></b> .....	<b><u>14</u></b>
<b><u>ITEM 15 – CUSTODY</u></b> .....	<b><u>14</u></b>
<b><u>ITEM 16 – INVESTMENT DISCRETION</u></b> .....	<b><u>15</u></b>
<b><u>ITEM 17 – VOTING FUND SECURITIES</u></b> .....	<b><u>15</u></b>
<b><u>ITEM 18 – FINANCIAL INFORMATION</u></b> .....	<b><u>15</u></b>
<b><u>ITEM 19 – REQUIRED FOR STATE-REGISTERED ADVISERS</u></b> .....	<b><u>15</u></b>
<b><u>BROCHURE DISCLOSURE</u></b> .....	<b><u>16</u></b>

Centerfield Management III, Inc., a Delaware corporation (“Centerfield”, “us”, “we” or “our”), is based in Indianapolis, IN. The Centerfield organization has been in business since mid-2000 and conducts its advisory business under the name of Centerfield Capital Partners. Our principal owners are Thomas A. Hiatt, D. Scott Lutzke, Matthew C. Hook, A. Faraz Abbasi, Michael A. Miller, and Mark A. Hollis.

Centerfield provides investment advisory services to private pooled investment vehicles that are typically organized as limited partnerships (each, a “Fund” and, collectively, the “Funds”). The Funds generally have a term of 10 years following the final close, with certain options to extend. Three of our current Funds are licensed as Small Business Investment Companies (referred to herein as “SBIC”s; the funds licensed by the SBA referred to as the “SBIC Funds.”) by the Small Business Administration (the “SBA”). The Funds may also have the ability to obtain bank financing. The borrowed capital for the various Funds may then be added to the amount of capital contributed by the investors and invested by the Funds based on our investment advice, as described below.

The Funds are marketed primarily to institutional investors and high net worth individuals. These investors purchase interests in the Funds; investments are made at the Fund level, not for individual investors in the Fund. The only advisory clients of Centerfield are the Funds. As the investment adviser of the Funds, Centerfield, along with each Fund’s general partner (each, a “General Partner” and, collectively, the “General Partners”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of, investments of each Fund. Centerfield does not tailor its advisory services to the individual or particular needs of the investors in the Funds.

The primary focus of Centerfield’s investment advisory services is researching and advising on privately negotiated transactions in operating entities. Investments are predominantly in non-public companies, although investments in public companies are permitted under certain circumstances. Usually, one or more of our employees may serve on a portfolio company’s board of directors or otherwise acts to influence control or management of portfolio companies held by the Funds.

The advisory services for each of the Funds are further described in the Funds’ respective offering memorandum, limited partnership agreement and management or advisory agreement (collectively, the “Governing Documents”). We generally do not vary our investment advice from the terms of these Governing Documents. Additionally, these Governing Documents also detail certain restrictions that govern the investments the Funds may and may not make, and the remuneration Centerfield and/or the General Partners may receive for services rendered to the Funds.

In accordance with common industry practice, one or more of the General Partners may enter into “side letters” or similar arrangements with certain Fund investors pursuant to which the General Partner grants the investor specific rights, benefits or privileges that are not made available to investors generally. These arrangements typically clarify any regulatory, informational, co-investment rights and interpretational issues with the Governing Documents. All side letters are typically disclosed to all other investors participating in the same Fund.

As of December 31, 2017, we managed approximately \$475,000,000 of assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

#### *Item 5 – Fees and Compensation*

As compensation for investment advisory services rendered to the Funds, Centerfield generally receives from each Fund an annual management fee. The amounts of the management fees are determined in accordance with the terms of the Fund's Governing Documents and applicable side letters. In general, except with respect to one of the SBIC Funds, the management fees charged during the investment period range from 1.5% to 2.0% of the total capital committed to the Fund by investors. After the investment period, the management fees are generally based on a similar percentage of the invested capital of the Fund.

Management fees are billed to each Fund or its General Partner and paid by the Fund or its General Partner from the Fund's assets. To obtain cash for the payment of management fees, the General Partner of the Fund may draw down investors' capital commitments. Centerfield has the ability to waive management fees in exchange for deemed capital contributions by the General Partners to the Funds. In addition, the management fee payable by a Fund may be reduced or waived in some circumstances in connection with the receipt by Centerfield, or its related persons, of all or a portion of various fees paid by portfolio companies. The management fees are calculated and payable quarterly in advance.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in each Fund's Governing Documents, over the terms of the Funds, and investors generally are not permitted to withdraw or redeem interests in the Funds.

For certain Funds, expense reimbursements may be payable to Centerfield or its affiliates. Any such Fund expense reimbursements are disclosed to investors in the Governing Documents and are in addition to the management fees discussed above. Each Fund also generally bears certain expenses relating to its activities and operations.

To the extent provided in the Governing Documents, Centerfield may pay out of its management fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, compensation of its employees and other routine administrative expenses relating to the services and facilities provided by Centerfield to the Funds. Each Fund generally bears all other expenses relating to it, to the extent not borne by its portfolio companies, including legal, accounting, investment banking, brokerage, finders', custody, transfer, registration, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of these expenses borne by the Funds may relate to costs associated with unexecuted transactions.

Please refer to the relevant Fund's Governing Documents for a complete understanding of each Fund's fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents. For more information regarding our brokerage arrangements, see Item 12 – Brokerage Practices.

#### *Item 6 – Performance-based Fees and Side-By-Side Management*

The Funds' Governing Documents generally provide that, after contributed capital plus a preferred return is paid to the investors in the Fund, the net profits realized by the Fund are shared between the Fund's General Partner and the Fund's investors. The General Partner's portion of such net profits is referred to herein as the General Partner's "Carried Interest," or performance-based fees. As long as certain tests that may be set forth in the Governing Documents for any such fund are met, the investors may receive payments, and the General Partner can receive its Carried Interest, as described above, prior to the time that the full leverage is repaid to the SBA.

Each of our Funds maintains for each investor in the Fund a capital account that is adjusted to reflect any allocations of net gain or loss.

The General Partners of the Funds are all affiliates of Centerfield, and our affiliates and employees may be members or partners of the General Partners that may receive these performance distributions from the Funds.

Performance-based allocation arrangements received by the General Partners and, indirectly, Centerfield's related persons may create an incentive for Centerfield to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Investors in the Funds are provided with disclosures contained in the respective Fund's Governing Documents relating to the Carried Interest payable to Centerfield and the risks associated with their investment in the Funds.

#### *Item 7 – Types of Clients*

Centerfield currently provides investment advisory services to pooled investment funds. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of such Fund, and not individually to the investors in such Fund.

We do not impose any minimum requirements on our Fund clients. However, the Funds generally require that each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 or a "qualified purchaser", within the meaning of 2(a) (51) of the Investment Company Act of 1940, as amended. We also require that each investor that is a U.S. resident in a Fund that pays us a performance-based fee be a "qualified client" within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Depending on the Fund, investors must generally invest a minimum dollar amount of \$1 million. The General Partners of each Fund may waive the minimum investment amount at their sole discretion.

***Methods of Analysis and Investment Strategies***

Our Fund clients typically invest in subordinated debt and/or equity-related securities of private operating companies in negotiated transactions. The Funds generally make non-control investments and require there to be ownership on the part of company management. For each client Fund, we make investment recommendations in accordance with the investment strategies described in the Fund's Governing Documents.

Prior to making an investment, Centerfield carries out an extensive fundamental analysis of a target investment's market position and growth prospects, including cash flows, market analyses, leadership team and projected exit strategy. A vital element of this analysis is the development of an operating plan that, if the investment is consummated, will form the basis for the portfolio company's operating targets.

***Risks***

The investment strategies described above, and other strategies that may be pursued by the Funds, involve a substantial degree of risk, and the Funds may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above are described in more detail in the applicable Fund's Governing Documents and include the following:

***Business Risks.*** The Funds' investment portfolios will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Often, there will be no collateral to protect an investment once made, and the companies and securities in which the Funds will invest generally will not be rated by a credit agency. Such investments involve a high degree of business and financial risk that can result in substantial losses.

***Mezzanine Investment Risks.*** The Funds' investment portfolios will contain mezzanine investments in portfolio companies that will be highly leveraged, thereby increasing the degree of credit risk inherent in the investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair a company's ability to finance future operations and capital needs or to pay principal and interest on the Funds' investments when due. Investments in highly-leveraged portfolio companies are intrinsically more sensitive to declines in portfolio company revenue and to increases in portfolio company expenses, including any deterioration in a company's condition or industry, competitive pressures and adverse economic environment or rising interest rates. There can be no assurance that a portfolio company will generate sufficient cash flow necessary to service its debt obligations, and many of the remedies available to mezzanine lenders are available only after satisfaction of claims of senior creditors. Therefore, in the event that a portfolio company does not generate adequate cash flow to service its debt obligations, a Fund may suffer a partial or total loss of invested capital.

***Subordinated Debt Risk.*** Typically, mezzanine debt securities are granted preferential rights over the common stock and other equity securities in a portfolio company's capital structure but are subordinate to

any senior debt on the company's balance sheet. As such, while Centerfield's subordinated debt investments generally are secured by a lien on a portfolio company's assets, such lien is almost always subordinate or secondary to the lien held by the holder(s) of the senior debt issued by the company.

***Long Term Investments and Illiquidity.*** It is not generally expected that an investment in the Fund will be sold for a number of years after the initial investment. Moreover, the Funds typically acquire restricted securities that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of securities of similar companies that are publicly traded. There is no expectation that a public market for securities of the portfolio companies will develop. It is highly doubtful that an issuer will be able to register its securities with any governmental securities authority so that they become eligible for trading in public markets. Investments in privately-held companies are generally long-term in nature and require many years from the date of initial investment before disposition. Therefore, there can be no assurance that investors in the Funds will realize a return on their investment in the Funds within a reasonable time, or at all.

***Past Performance Not Indicative.*** Investors in the Funds should be aware that historic investment performance is not indicative of the returns investors may achieve from an investment in a Fund.

***Competition for Investment Opportunities.*** The business of the Funds is highly competitive. Numerous investors, including other mezzanine funds, private equity funds, direct investment firms, merchant banks and business development companies ("BDC"s), will be competing with the Funds for desirable investment opportunities. Because of this competition, a Fund might not be able to identify and participate in a sufficient number of attractive investment opportunities for the Fund to achieve its investment objectives.

***General Economic Conditions.*** General economic conditions may affect the Funds' investment activities. Changes in general economic conditions, including, for example, interest rates, inflation or deflation rates, industry conditions, a slow-down of economic growth, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect the business, prospects and/or valuation of the portfolio companies, and thereby substantially and adversely affect the Funds. Such changes in general economic conditions may also influence the Funds' ability to raise funding to support their investment objectives, find potential investments, liquidate current investments and reduce levels of profitability achieved on realized investments.

***Diversification.*** The Funds may participate in a limited number of investments, and the Funds' investments may not be widely diversified. To the extent that less than the maximum number of Interests is subscribed for with respect to the Funds, the opportunity for diversification of the Funds' investments will be decreased. In addition, the ability of the Funds to diversify the risks of their investments will depend upon the size, characteristics, types and class of investments available. A lack or limited degree of diversification increases risk because the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single investment.

***Reliance on Management of Portfolio Companies.*** The Funds will have limited control over the management of any portfolio company in which the Funds may invest and will rely upon management to



operate the portfolio companies on a day-to-day basis. The success of each investment by the Funds will largely depend on the ability and success of the management of the portfolio companies in addition to economic and market factors. There can be no assurance that such management will continue to operate a company successfully.

***Limited Transferability of Fund Interests and Illiquidity.*** An investment in a Fund should be viewed as illiquid. It is uncertain when profits, if any, will be 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. Additionally, there is no public market for interests in the Funds, and none is expected to develop. Transfers of Fund interests by an investor may only be made with the consent of the General Partner of the Fund, which may be withheld or delayed in its sole and absolute discretion. It therefore may be difficult or impossible to transfer any interests of a Fund, even in an emergency or upon declining Fund performance. Withdrawals are generally not permitted from the Funds, Fund interests are not redeemable, and the timing or amount of any distributions made to the investors is uncertain. Therefore, an investment in a Fund requires the financial ability to accept significant risk and illiquidity.

***Bankruptcy of Portfolio Companies.*** The Funds may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various bankruptcy laws could operate to the detriment of the Funds. There is also a risk that a court may subordinate a Fund's investment to other creditors or require that Fund to return amounts previously paid to it by a portfolio company that becomes insolvent or files for bankruptcy, the risk of which could increase to the extent that the Fund obtains management rights or holds equity securities in such portfolio company.

***Subordination.*** The investments of the Funds will typically be subordinated to the senior obligations of the portfolio companies, either contractually (in the case of debt securities) or because of the nature of the security (in the case of preferred or common equity or warrants for preferred or common equity). Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations. Adverse changes in the financial condition of a portfolio company and/or in general economic conditions may impair the ability of such portfolio company to make payments on the subordinated securities or result in defaults on, and declines in the value of, such securities more quickly than in the case of the senior obligations of such portfolio company.

***Default on Capital Commitments.*** In the event that an investor fails to fund any portion of a required capital contribution to a Fund when due, the effect of the default provisions in the Fund's limited partnership agreement could be severe. Among other remedies provided in the limited partnership agreement, a defaulting investor may forfeit all or a portion of its interests or be required to sell its interests in the Fund at a discount. Unless waived by Centerfield, a defaulting investor shall also be required to pay any interest charged to the Fund on amounts borrowed to cover contributions not made on a timely basis by the defaulting investor.

***Risks Upon Disposition of Investments.*** In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company or may be responsible for the contents of disclosure documents under applicable

securities laws. The Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are incorrect or misleading. These arrangements may result in contingent liabilities which might ultimately have to be funded through capital contributions by the investors. In the event of the dissolution and termination of a Fund, if the assets of the Fund are insufficient to satisfy its liabilities, each investor may be required to return any or all of the distributions made to such investor as may be required to satisfy these obligations.

**Indemnification Obligations.** Subject to applicable law, the Funds are obligated to indemnify and hold each General Partner and Centerfield harmless against any cost, claim, liability, damage, loss or expense suffered by the covered person as a result of actions on behalf of one or more Funds or the General Partners in connection with the activities of the Funds; provided, however, that if such cost, claim, liability, damage, loss or expense arises out of an act or omission by the covered person, the covered person believed in good faith at the time of the act or omission that its course of conduct was in or not opposed to the interest of the relevant Fund and such course of conduct did not constitute gross negligence or willful misconduct. In addition, if the assets of a Fund and the unfunded capital commitments of the investors are insufficient to satisfy this indemnification obligation, the investors will be obligated to return distributions received by them to enable the Fund to satisfy its obligations to indemnify covered persons.

**Projections.** Projected operating results of a portfolio company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company 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 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. There is no assurance that the Funds will make follow on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by a 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 or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

**Dilution.** Investors admitted to a Fund at subsequent closings to the Fund's initial closing will participate in then-existing investments of that Fund, thereby diluting the interest of existing investors in such investments. Although any such new investor will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of that Fund's existing investments at the time of such contributions.

**Director Liability.** The Funds will often obtain the right to appoint a representative to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of

directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, 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. However, the Funds have obtained a Directors' and Officers' ("D&O") liability insurance policy, which is intended to provide its representatives to the board of directors of companies in which they invest additional protection against liability.

**Regulatory Risk.** Comprehensive financial reform legislation was recently passed by Congress and signed into law by President Obama. In some cases, this legislation leaves the interpretation of key terms and implementing rule-making authority to certain government regulatory organizations such as the SEC. This legislation and new initiatives may be implemented by such organizations and other instrumentalities of the U.S. government to address recent developments in the global financial markets, and such initiatives could have an adverse effect on the Funds' financial condition. The Funds may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their advisors may, for example, adversely affect the value of investments held by the Funds and the ability of the Funds to pursue their investment strategy. The effect of any future regulatory change on the Funds could be substantial and materially adverse.

**General.** Investors should be aware that there will be situations where the General Partners, Centerfield and their respective affiliates may encounter potential conflicts of interest in connection with the Funds' activities.

**Diverse Investors.** Investors in the Funds may include taxable and tax-exempt entities (including ERISA plan investors) and may include persons or entities organized in various jurisdictions, including foreign investors, who may have conflicting investment, tax and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. As a consequence, conflicts may arise in connection with decisions made by a Fund regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, Centerfield generally will consider the investment and tax objectives of the Funds and their investors as a whole, not the investment, tax or other objectives of any investor individually.

**Time Devoted to Management of the Funds.** It is expected that the principals of Centerfield will devote such time as they deem necessary to carry out the operations of the Funds effectively.

**Allocation of Investment Opportunities.** Centerfield currently manages several families of pooled investment vehicles and other investments similar to those in which the Funds will be investing, and Centerfield's investment staff will continue to manage and monitor such investment funds and investments. Generally, Centerfield will allocate investment opportunities among the Funds in a manner that it deems equitable (considering the size, duration and expected liquidity of the investment, tax and other attributes of the investment and the investors in each Fund and the capital available for investment by each Fund). Following the investment period of the Funds, Centerfield may and likely will focus its investment activities on other opportunities and areas unrelated to the Funds' investments.

***SBIC Regulation.*** SBICs may invest only in small businesses, which are generally defined as having a tangible net worth of not more than \$19.5 million and average net income after taxes for the preceding two years of not greater than \$6.5 million. There are restrictions on the ability of an SBIC to invest in certain categories of small businesses such as farm land, project financing, finance companies (re-lenders or re-investors), passive businesses, real estate businesses, and business contrary to the public interest, associates, or other financial intermediaries. SBICs are subject to periodic examination by the SBA, for which the SBA charges examination fees. SBICs are also required to maintain certain minimum levels of capital. Furthermore, SBICs must maintain certain records and make them available for SBA examination. SBICs also are required to prepare valuation guidelines, to file annual reports containing financial, management and other information, and to file notices of certain material changes in their ownership and operations. Among other regulatory powers, prior SBA approval is required before the admission of any investor to an SBIC owning 10% or more of the SBIC's capital or the transfer of interests by an investor. SBA approval of a change in control of the SBIC may be conditioned on such requirements as the SBA deems necessary, and such approval in any case is contingent upon full disclosure of the real parties in interest, the source of funds used to acquire control and other information requested by the SBA. If an SBIC is found to be in violation of the SBIC Act, the SBA can bring suit for the appointment of a receiver for the SBIC and for its liquidation.

***Dependence on Centerfield.*** The success of the Funds depends in substantial part on the skill and expertise of the General Partners and Centerfield to identify and evaluate investment opportunities, to negotiate and arrange the closing of transactions, to monitor and manage performance of portfolio companies and to arrange for timely disposition of investments. The loss of service of Centerfield and the General Partners could have an adverse effect on the Funds' ability to realize their investment objectives. All decisions with respect to the management and investments of the Funds are made exclusively by the General Partners, which have exclusive control of the Funds. Investors have no right or power to take part in the management of the Funds, to select investments for the Funds, to define the investment criteria of the Funds, or participate in decisions regarding the Funds. Investors should also be aware that historic investment performance is not indicative of the returns investors may achieve from an investment in a Fund.

The discussion of material risks provided above is not meant to be a complete description of risks that may be applicable to the Funds and/or Centerfield, or to the methods of analysis or investment strategies used. Please refer to the Governing Documents for the relevant Fund for a more detailed description of the risks associated with an investment therein.

#### ***Item 9 – Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. Neither Centerfield nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of the integrity of Centerfield or that of its management.

#### ***Item 10 – Other Financial Industry Activities and Affiliations***

As set forth above, we act as investment adviser to the Funds, and the General Partners of the Funds are our affiliates.

Neither Centerfield nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

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

We have adopted a Code of Ethics for all employees of the firm describing our high standard of business conduct. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. Our employees must certify at least annually their receipt, understanding and compliance with our Code of Ethics.

We do not, as a general practice, recommend that a Fund invest in other Fund(s) or companies in which we or our affiliates have a material ownership interest, except that several of our Funds were organized as parallel entities, and invest in each investment on a pro rata basis. Generally, these Funds invest at the same time and exit from the investment at the same time.

As investors, we or our affiliates share in the profits and losses generated by the investments of the Funds. Certain employees of Centerfield may invest in Funds either through their General Partners or as limited

partners. A Fund may in its discretion not charge, or reduce, all or a portion of the management fee and performance allocation related to investments held by such persons.

In situations where actual or potential conflicts of interest between us and our affiliates and one or more Funds are identified, procedures contained in the Governing Documents of the affected Funds generally provide for submission of the proposed transaction to an advisory committee for review and resolution. The specific procedures for each Fund we advise are set forth in the Governing Documents of the Fund.

The following factors may alleviate, but will not eliminate, conflicts of interest between and among Funds:

- A Fund will not make any investment unless Centerfield and the Fund's General Partner believe that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- Many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Governing Documents for the Funds; and
- With respect to the Funds, the advisory committees for a Fund, whose members are not affiliated with the General Partner of such Fund, play an important role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by such Fund's General Partner in accordance with the relevant Governing Documents for the Fund.

In connection with its investment activities, Centerfield may encounter situations in which it must determine how to allocate investment opportunities among various Funds and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any parallel investment entities that have been formed to invest side-by-side with one or more Funds, or a parallel investment structure whereby several Funds have been formed to invest alongside each other;
- Any alternative investment vehicles that have been formed to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions;
- Any co-investment entities that have been formed to invest side-by-side with one or more Funds (the investors in such co-investment entities may include individuals and entities that are also investors in one or more Funds (collectively, "Investors") and/or individuals and entities that are not investors in any Funds (collectively, "Third Parties")); and

- Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Funds.

For each such Fund or other person discussed above, subject to applicable legal, contractual or similar restrictions, Centerfield generally may decide, in its sole discretion, whether Centerfield or a related person may seek to charge any fees or to receive any performance-based compensation or allocations in connection with such investment opportunities.

Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side-letter or other terms negotiated with respect to such Fund, in general, (i) no Investor has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Centerfield, (iii) co-investment opportunities may, and typically will, be offered to some and not other Centerfield Investors, in the sole discretion of Centerfield, and (iv) certain persons other than Centerfield Investors (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of Centerfield.

From time to time, Centerfield may come into possession of material, nonpublic information. In such cases, Funds could be restricted indefinitely in transactions involving a particular issuer. Consequently, the possession of material, non-public information by Centerfield may limit the ability of a Fund to buy and sell investments. In addition, Centerfield may be restricted by contract from using confidential information that it has for the benefit of a Fund.

It is expected that most or all of the employees responsible for advising a Fund will have responsibilities with respect to other Funds advised by Centerfield, including funds that may be established or raised in the future. Conflicts of interest may arise in allocating time, services or functions of these employees.

Generally, Centerfield does not affect cross transactions between Funds (a “cross-fund transaction”); however, there may be occasions, such as at the end of the fundraising period for our Funds that were raised to invest in parallel with certain other Funds, when any portfolio investments made by those Funds during the fundraising period may be partially transferred at cost among certain of these Funds so that the applicable Funds can invest on a pro rata basis in all future investments. In the event that Centerfield does effect cross-fund transactions between Funds, Centerfield shall seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals thereunder) and Centerfield’s policies and procedures. Neither Centerfield nor any of its affiliates may receive any compensation for effecting a cross-fund transaction.

The Funds may have tax-exempt, taxable, foreign and other investors, whereas most members of the General Partners are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and the members of the General Partners. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors’ individual tax situations.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with our ability to make decisions and complete transactions in the best interest of our clients.

Our Code of Ethics requires all employees to obtain pre-approval from our Chief Compliance Officer prior to acquiring, whether directly or indirectly, beneficial ownership of any security issued in private placements and IPOs. In addition, our Code of Ethics contains provisions that prohibit insider trading.

A copy of our Code of Ethics will be provided upon request to any investor in one of our Funds. Such a request can be made by contacting our Chief Compliance Officer at (317) 829-3706 or via email at [jackie@centerfieldcapital.com](mailto:jackie@centerfieldcapital.com).

#### ***Item 12 – Brokerage Practices***

The investments made by our Funds generally do not require the use of a broker-dealer. On certain occasions, however, an investment by a Fund or disposition of securities held by a Fund will require that we select a broker-dealer to execute a transaction. In that case, we will use a broker-dealer whom we have determined will provide the best execution for the transaction. Generally speaking, Centerfield must execute securities transactions in such a manner that a client's total cost or proceeds in each transaction is the most favorable under the circumstances. Centerfield should consider the full range and quality of a broker's services in placing brokerage, including, among other things, the value of research provided, if any, as well as execution capability, commission rate, financial responsibility and responsiveness. In determining best execution, it must be noted that the most important factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account.

We attempt to achieve these results by choosing broker-dealers to execute transactions based on a range of considerations, including, but not limited to:

- The price and size of the order
- The trading characteristics of the securities involved
- The value of research provided
- The broker's execution capabilities
- Commission rates
- Financial responsibility
- Responsiveness

#### ***Item 13 – Review of Accounts***

Centerfield closely monitors the investment portfolios of the Funds. Centerfield professionals continually review and analyze existing investments to attempt to identify issues early on and to take action when necessary. Centerfield professionals meet periodically to update each other on such investments and related matters.



Centerfield generally does not provide formal written reports to any Fund unless specifically requested by the General Partner of the Fund.

We provide the following written reports to investors in each of our Funds: On an annual basis:

- Audited financial statements
- On a semi-annual basis:
  - Semi-annually after the second and fourth quarters, a narrative summary of the status of each new portfolio company of the Funds and the occurrence of any material event relating to any portfolio company of a Fund.
  - Valuation reports are provided to the Funds' Valuation Committee for their approval of recommended fair values of the Funds' investments, which are made in accordance with the 2007 Updated U.S. Private Equity Valuation Guidelines and U.S. GAAP Accounting Standards Codification Topic 820 on fair value measurement.

On a quarterly basis:

- Unaudited financial statements
- Capital account statements are provided to each investor

#### *Item 14 – Fund referrals and Other Compensation*

We do not receive any economic benefit from any person that is not a client for providing advisory and management services to our Funds.

#### *Item 15 – Custody*

Centerfield may be deemed to have custody of the assets of the Funds as a result of its and the General Partners' authority over the Funds.

It is Centerfield's policy to cause each Fund with assets over which Centerfield is deemed to have "custody" to be audited annually by a PCAOB registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such

Fund, Centerfield will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

#### ***Item 16 – Investment Discretion***

Centerfield provides investment advisory services to each of the Funds pursuant to the Governing Documents of such Fund. Investment advice is provided by Centerfield directly to the Funds, subject to the direction and control of the affiliated General Partner of such Fund. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Fund and are set forth in the Governing Documents received by each investor prior to investment in such Fund.

#### ***Item 17 – Voting Fund Securities***

To the extent matters arise that call for the vote or consent of the investors in a portfolio company of a Fund; we exercise the voting rights on behalf of the Fund in question. It is our policy to vote all proxies in a manner that best serves the interests of the applicable Fund. An investor in one or more of our Funds may obtain a copy of our proxy voting policy by contacting our Chief Compliance Officer at (317) 829- 3706 or [jackie@centerfieldcapital.com](mailto:jackie@centerfieldcapital.com).

#### ***Item 18 – Financial Information***

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Funds and we have not been the subject of a bankruptcy proceeding.

#### ***Item 19 – Required for State-Registered Advisers***

Not applicable.

## **BROCHURE DISCLOSURE**

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

.....