

**Item 1. Cover Page**

**GI Partners UK Limited**

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**Part 2A of Form ADV: Firm Brochure  
March 2018**

**This brochure provides information about the qualifications and business practices of GI Partners UK Limited. If you have any questions about the contents of this brochure, please contact us at +44 207 034 1120. 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 GI Partners UK Limited also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

This brochure contains no material changes from the last firm brochure filed in March 2017.

### **Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

For purposes of this brochure, the “Adviser” means GI Partners UK Limited, a corporation organized under the laws of the United Kingdom, together (where the context permits) with other affiliates that provide advisory services to and/or receive advisory fees from the Fund (as defined below). Such affiliates are generally under common control with GI Partners UK Limited, and possess a substantial identity of personnel and/or equity owners with GI Partners UK Limited. These affiliates are typically formed for tax, regulatory or other purposes in connection with the organization of the Fund (as defined below), or to serve as general partners of the Fund. Additionally, a separately registered United States entity, GI Manager L.P. (“GI Manager”) and its affiliates provide advisory services to and receive advisory fees from the Fund. The Adviser and GI Manager are not themselves under common control but each is under common control with GI International L.P. GI International L.P. is the designated management company of GI Partners Fund III L.P. and its parallel funds (“Fund III”). The Adviser and GI Manager provide investment advice to the Fund pursuant to Advisory Agreements (as defined below).

The Adviser provides investment supervisory services to a commingled investment vehicle (the “Fund”) that is exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). Investors in the Fund are “Qualified Purchasers” as defined in the 1940 Act.

The Fund primarily makes long-term private equity and equity-related investments in private companies, including leveraged buyout acquisitions and recapitalizations, investments in debt instruments, as well as real estate and real-estate related investments in North America and Europe. In accordance with the Fund’s respective investment objectives, investments are generally made in companies doing business in the following sectors: IT infrastructure and services; healthcare services; leisure and retail; and financial and real estate services. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Fund, managing and monitoring the performance of such investments and disposing of such investments. The Adviser typically serves as the investment adviser, the subadviser and/or general partner to the Fund in order to provide such services, or provides employees to an affiliate to provide such services. The Adviser is now focused on disinvesting the portfolio investments on behalf of Fund III and it is not currently envisaged that there will be any further acquisitions.

The Adviser, GI Manager and their respective affiliates provide investment advisory services to the Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund and/or separate investment and advisory, subadvisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Fund, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Fund. Services are provided to the Fund in accordance with the Advisory Agreements with the Fund and/or organizational documents of the applicable Fund. Investment restrictions for the Fund, if any, are generally established in the organizational or offering documents of the applicable Fund and/or side letter agreements negotiated with investors in the applicable Fund.

The principal owners of GI Partners UK Limited are Messrs Alfred L. Foglio, Mark L. Tagliaferri and Philip B. Kaziewicz. The Adviser has been in business since 2005 and its predecessor companies have been in business since 2001. As of December 31, 2017, the Adviser manages a total of approximately \$650,595,964 of client assets, all of which is managed on a discretionary basis. GI International L.P. is owned by Messrs Foglio, Tagliaferri and Kaziewicz and two other investment professionals of GI Manager. It has been in business since March 2008.

## **Item 5. Fees and Compensation**

As compensation for investment supervisory services rendered to the Fund, GI International L.P. receives from the Fund an advisory fee and pays a portion of such fee to the Adviser (each, an “Advisory Fee”). Advisory Fees paid by the Fund are indirectly borne by investors in such Fund.

In addition, the Adviser and its affiliates perform management, advisory, transaction related, financial advisory and other services (“Related Services”) for, actual or prospective portfolio companies or other investment vehicles of the Fund. Further, a portfolio company will typically reimburse the Adviser for expenses (including without limitation conference attendance expenses, database subscriptions and other expenses, including compensation or reimbursements of Operations Support Providers (as defined below) deemed by the Adviser to benefit such portfolio company, meals and entertainment, and travel expenses, which have included, and may in the future include, expenses for “black car” transportation or chartered or first class travel incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Transaction Fees” under the terms of the applicable organizational documents, and such reimbursements are not subject to the sharing arrangements described above.

The Adviser and its affiliates also engage and retain operating advisers, senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of the Adviser and who, from time to time, receive payments or other compensation from portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above.

The precise amount of, and the manner and calculation of, the Advisory Fees for the Fund are established by the Adviser, as modified by negotiations with investors in the Fund, and are set forth in such Fund’s Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The Advisory Fee structures described above may be modified from time to time. Advisory fees may differ among investors in the Fund.

Advisory Fees in respect of the Fund are payable quarterly in advance. Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of the Fund, the Adviser will pay out of Advisory Fees certain operating, administrative and overhead expenses, including the costs and expenses of rent, facilities, utilities, office supplies, office equipment, entertainment and all other ordinary operating expenses of the Adviser, including compensation of its partners and employees (other than Carried Interest described in Item 6 below) and other routine administrative expenses relating to the investment advisory services and facilities provided by the Adviser to the Fund. Consistent with the partnership agreements or other organizational documents of the Fund, the Fund will bear all other reasonable out-of-pocket expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting (including but not limited to consulting fees incurred by the applicable Fund for the benefit of its portfolio company), fees paid to third party valuation agents, research, reports, brokerage, finders', custody, transfer, registration, advisory board, directors' and officers' insurance, interest, taxes and extraordinary expenses, such Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments that are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser. Additionally, please see Item 6 below regarding "Carried Interest" that the Fund pays.

In the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

With respect to the Fund, a portion of the profits, if any, of such Fund is distributed to its general partner as "carried interest" (the "Carried Interest"). Each general partner of the Fund is a related person of the Adviser. Carried Interest paid by the Fund is indirectly borne by investors in such Fund. Certain Fund investors may incur lower or no Carried Interest.

The payment by the Fund of Carried Interest could incentivize the Adviser to engage in riskier investments than it would in absence of such Carried Interest. The Adviser, however, has a well-defined investment process that is designed to mitigate this risk.

#### **Item 7. Types of Clients**

The Adviser currently provides investment supervisory services to Fund III. Investment advice is provided directly to the Fund (subject to the direction and control of the general partner of such Fund) and not individually to investors in such Fund.

Interests in the Fund are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act.

The Adviser does not have a minimum size for the Fund but minimum investment commitments are typically established for investors in the Fund. The general partner of the Fund may in its sole discretion permit investments below the minimum amounts set forth in the offering documents or other organizational documents of such Fund.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

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

The Adviser's Fund investment strategy consists of making control-oriented, deep value investments in middle-market businesses in North America and Europe.

The Adviser seeks to generate attractive risk-adjusted returns by targeting investments in companies that the Adviser believes provide significant downside protection, as well as the opportunity for significant value creation post-investment through strategic and operational improvement. Central to the Adviser's strategy is a deep value orientation that seeks to provide substantial downside protection in the investments. The Adviser's downside protection typically is the result of buying businesses in which a significant portion of the purchase price is represented by underlying asset values or where the purchase price is discounted as compared to intrinsic or fundamental value, often because the business operates in a sector that is out of favor or because the business is undergoing financial distress. The Adviser aims to substantially increase the value of these businesses through board-led value creation initiatives, including management change, new product lines, organic growth and/or synergistic add-on acquisitions.

The Adviser's investment activities are focused on four targeted, well-researched sectors in which it has developed extensive sector expertise, and which are differentiated by their asset intensity, sector growth and cyclical characteristics. These sectors include IT infrastructure & services; healthcare services; retail & leisure; and, financial & real estate services. The Adviser focuses on businesses and portfolios of real-estate-related assets within each of these sectors where meaningful opportunities to create value can be identified and executed.

The Adviser deploys a rigorous set of criteria in its investment and asset management approach across all of these investment platforms with a particular focus on risk management.

### **Risks**

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Fund must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Fund, include the following:

**Recent Financial Market Fluctuations.** General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, are likely to reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments and the value of the investments held by the Fund. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Fund's investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. In addition, the United Kingdom voted in a referendum to leave the European Union and the formal process was triggered at the end of March 2017, beginning a two year period of negotiation for withdrawal ("Brexit"). The future relationship of the UK and the EU is uncertain and creates significant political, legal and economic risk. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Fund will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Fund to buy, sell and partially dispose of their portfolio company investments. The Fund are likely to be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

**Valuation of Assets.** There is no actively traded market for most of the securities owned by the Fund. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Fund, the exercise of



discretion in valuation by the Adviser may give rise to conflicts of interest, as the performance allocation in certain Fund is calculated based, in part, on these valuations and such valuations affect performance calculations.

**Business Risks.** The Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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

**Concentration of Investments.** The Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

**Risk of Real Estate Investment.** Investments related to real property are subject to varying degrees of risk. Real estate values are affected by a number of factors, including but not limited to (a) changes in the general economic climate, (b) local conditions (such as an oversupply of space or a reduction in demand for space), (c) the quality and philosophy of management, (d) competition based on rental rates, (e) attractiveness and location of the properties, (f) financial condition of tenants, buyers and sellers of properties, (g) quality of maintenance, insurance and management services (h) changes in real estate tax rates and other operating costs and expenses, (i) energy and supply shortages, (j) changes in interest rates and the availability of debt financing, (k) uninsured losses or delays from casualties or condemnation, (l) government regulations (including those governing usage, improvements, zoning and taxes) and fiscal policies, (m) potential liability under changing environmental and other laws, (n) risks and operating problems arising out of the presence of certain construction materials, (o) structural or property level latent defects and (p) acts of God, acts of war (declared or undeclared), terrorist acts, strikes and other factors beyond the control of a general partner or manager, as applicable, and their respective affiliates. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property) could also create risks of successor liability.

**Environmental Risks.** Although the general partners and managers, as applicable, intend to comply with applicable environmental rules and regulations, the Fund may be exposed to substantial risk of loss from environmental claims arising in respect of real estate acquired by the Fund or their portfolio companies with undisclosed or unknown environmental liabilities. Under such laws, the Fund could be liable for, among other things, the costs of removal or remediation of certain hazardous substances, including but not limited to asbestos-related liabilities. Such laws often impute liability without regard to fault.

**Illiquidity; Lack of Current Distributions.** Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

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

**Restricted Nature of Investment Positions.** Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to its investors.

**Projections.** Projected operating results of a company in which the Fund 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.

**Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.** There has recently been significant discussion regarding enhanced governmental scrutiny and increased regulation of the private equity industry. There can be no assurance that any such scrutiny and regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to

implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Furthermore, the combination of recent scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may incur greater expenses or delays in completing investments than it otherwise would have.

**Non-U.S. Investments.** Investments in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions, may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the investors in the Fund with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or its investors.

Additional risks of non-U.S. investments may include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

**Public Companies.** The Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the principals, and increased costs associated with each of the aforementioned risks.

**Non-Controlling Investments.** The Fund may hold meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

**Director Liability.** The Fund will often seek to obtain the right to appoint one or more representatives 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 a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

## **Item 9. Disciplinary Information**

Item 9 is not applicable to the Adviser.

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

### **Related General Partners**

Various entities serve as general partners of the Fund (the "General Partners"). The Adviser is under common control with the General Partners. All personnel of the General Partners and any other person acting on their behalf are subject to the supervision and control of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

### **Related Advisers**

GI Manager, along with its relying advisers, is registered as an investment adviser with the SEC. GI International L.P. is the designated management company of the Fund. GI International L.P. is under common control with each of the Adviser, GI Manager and the General Partners. The Adviser and GI Manager provide investment advice to the Fund pursuant to an Advisory Agreement as subadviser to GI International L.P.

For a description of material conflicts of interest created by the relationship among the Adviser and its affiliate advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### **Code of Ethics**

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households purchase investments for their own accounts, including the same investments as

will from time to time be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics are subject to remedial actions, including, but not limited to profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Nic Bernard at nic.bernard@gipartners.co.uk.

### **Participation or Interest in Client Transactions**

The Adviser, GI Manager, and certain employees and affiliates of the Adviser and GI Manager invest in and alongside the Fund, either through the General Partners, as direct investors in the Fund, or otherwise. Additionally, a General Partner or an affiliate, as applicable, will generally reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment opportunity (see below) ask different questions and request different information, the Adviser will from time to time provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### **Conflicts of Interest**

For purposes of this "Conflicts of Interest" section disclosure only, the term "Adviser" shall include the Adviser and GI Manager and the term "Portfolio" shall include the Fund, certain real estate portfolios managed by the Adviser or its affiliate for third-parties, and the funds and other clients advised by GI Manager.

The Adviser and its related entities engage in a broad range of activities, including but not limited to investment activities for their own account and for the account of other investment funds or accounts, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Portfolio will from time to time conflict with the interests of the Adviser, other Portfolios, or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Portfolios with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Portfolio will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Portfolio;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering (if applicable) and/or organizational documents for the Portfolios;
- (3) Generally, the Fund has established an advisory board, consisting of representatives of investors not affiliated with the Adviser. The advisory board meets as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion and the direction of the relevant advisory board or boards;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

### *Conflicts*

The material conflicts of interest encountered by a Portfolio include those discussed below, although the discussion below does not necessarily describe all of the conflicts that are or may be faced by a Portfolio. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts. It should be noted that we include discussion of potential conflicts of interest relating to acquisition and follow-on investments to illustrate how these may have impacted on the make-up of the portfolio. The fund is now in its disposition phase and is unlikely to make any further acquisitions or follow-on investments.

### *Allocation of Investment Opportunities Among Portfolios and Allocation of Co-Investment Opportunities*

Since the Adviser currently manages only the Fund, the Adviser does not currently

encounter situations in which it must determine how to allocate investment opportunities among various Clients and other persons.

In the unlikely event that the Adviser encounters allocation issues, it has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The appropriate allocation between Portfolios, Adviser Investors, and Third Parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees, and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the organizational documents of the Portfolios, as applicable. Such expenses typically are not allocated to co-investment vehicles.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and are permitted to invest directly in Portfolios and therefore participate indirectly in investments made by the Portfolios in which they invest. Such interests will vary Portfolio by Portfolio. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Portfolio.

#### *Conflicts Related to Purchases and Sales*

Conflicts arise when a Portfolio makes investments in conjunction with an investment being made by other Portfolios, or in a transaction where another Portfolio has already made an investment. Investment opportunities are from time to time appropriate for Portfolios at the same, different, or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these Portfolios invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring will raise conflicts of interest, particularly in Portfolios that have invested in different securities within the same portfolio company. Certain Portfolios of the Adviser invest in bank debt and securities of companies in which other Portfolios hold securities, including equity securities. In the event that such investments are made by a Portfolio, the interests of such Portfolio will at times conflict with the interest of such other Portfolio, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Portfolios are prohibited from exercising voting or other rights, and are subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Portfolios may or may not provide such additional capital and if provided, each Portfolio will supply such additional capital in such amounts, if any, as

determined by the Adviser. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Portfolio or a portfolio company of another Portfolio. Investments by more than one Portfolio of the Adviser in a portfolio company will also raise the risk of using assets of a Portfolio of the Adviser to support positions taken by other Portfolios of the Adviser. Employees and related persons of the Adviser and its affiliates have made, and may in the future make, capital investments in or alongside certain Portfolios, and therefore often have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Portfolio participating in a transaction would be equal to and not less than another Portfolio participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Portfolio will from time to time invest in opportunities that other Portfolios have declined, and likewise, a Portfolio will from time to time decline to invest in opportunities in which other Portfolios have invested.

The Adviser will from time to time, in its discretion, enter into transactions with investors in one or more Portfolios to dispose of all or a portion of certain investments held by one or more Portfolios. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will consider some or all of the factors listed above under “*Allocation of Investment Opportunities Among Portfolios and Allocation of Co-Investment Opportunities*”. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Portfolio(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Portfolio(s). Any such transactions will comply with the organizational documents of the applicable Portfolio(s).

#### *Cross-Transactions*

The Adviser does not anticipate engaging in cross transactions since it manages a single fund.

#### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the Adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Portfolios, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the



Advisers Act be made to the applicable Portfolio(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the offering documents (if applicable), limited partnership agreements or other organizational documents and related documents relating to the Portfolios typically contain additional restrictions on the ability of the Portfolios or the Adviser to engage in principal transactions.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Portfolio in a portfolio company in which another Portfolio has previously invested. In addition, a Portfolio will from time to time participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Portfolio has already invested or will invest. Conflicts of interest arise, including but not limited to determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. The Adviser will resolve all such conflicts using its best judgment but in its sole discretion.

#### *Conflicts Relating to the General Partner and the Adviser*

The Adviser generally will from time to time, in its discretion, contract with a related person of the Adviser (including but not limited to a portfolio company of a Portfolio) to perform services for the Adviser in connection with its provision of services to the Portfolios. When engaging a related person to provide such services, the Adviser has an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally will, in its discretion, from time to time recommend to a Portfolio or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Portfolio) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and partners, officers, principals, and employees of the Adviser and its affiliates will from time to time buy or sell securities or other instruments that the Adviser has recommended to Portfolios. In addition, officers, principals, and employees will from time to time buy securities in transactions offered to but rejected by Portfolios. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements, and other circumstances of these investments vary from those of the

Portfolios. If officers, principals, and employees of the Adviser have made large capital investments in or alongside the Portfolios they will have conflicting interests with respect to these investments.

Because certain expenses are paid for by a Portfolio and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Portfolio and/or its portfolio companies, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Portfolio or its portfolio companies to incur) such expenses.

### *Fee Structure*

Because there is a fixed investment period after which capital from investors in the Fund may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Fund, based upon capital invested by the Fund, this fee structure creates an incentive to deploy capital when the Adviser would not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of many of the Fund are entitled to Carried Interest under the terms of the limited partnership agreements of such Fund. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Fund to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

### *Providers of Operations Support*

The general partner or manager of a Portfolio, as applicable, and the Portfolios' portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), which will include, from time to time, affiliates of such general partner or manager, employees of such general partner or manager or any of their respective affiliates, the Portfolios' portfolio companies, portfolio companies of the Adviser's other accounts, third party consultants (including but not limited to specialized consultants, external executives, and industry advisory roundtable members), lawyers, "operating partners" or "senior advisors". The Operations Support Providers are engaged to provide operational support, specialized operations, legal services, and consulting services and similar or related services to, or in connection with, one or more of a Portfolio's portfolio companies in relation to the identification, acquisition, holding, maintenance, improvement and disposition of such portfolio companies ("Operations Support Services"). These services include support to the general partner or manager of a Portfolio, as applicable, or a Portfolio's portfolio companies regarding, among other things, the portfolio company's management (including serving in management positions or participating in determining corporate strategy), the portfolio company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

Fees and expenses associated with Operations Support Services (“Operations Expenses”) are generally paid and/or reimbursed by a Portfolio’s portfolio companies and/or a Portfolio. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is affiliated with the general partner or manager of a Portfolio) are generally determined at the discretion of such general partner or manager, as applicable, taking into account the particular Operations Support Services, often include a profits or equity interest in a Portfolio’s portfolio company or other incentive based compensation to the Operations Support Provider, and are otherwise determined by taking into account any other factors that such general partner or manager, as applicable, deems appropriate in its sole discretion, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, the percentage of the value of such portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company; provided that the amounts payable to an Operations Support Provider affiliated with the general partner or manager of a Portfolio will not exceed an amount that would generally be charged by a comparable independent third party as determined by such general partner or manager in its sole discretion. The determination of whether a service is an Operations Support Service will be made by the general partner or manager of a Portfolio, as applicable, in its sole discretion, but will generally be based on whether third parties provide such services to investment advisers or companies. Operations Expenses will also be incurred in respect of a Portfolio’s portfolio companies prior to the closing of the investment. In the event one or more Operations Support Providers (directly or indirectly) are providing services with respect to the Portfolios or portfolio companies in which multiple Portfolios hold an interest, such Operations Expenses will be allocated among the Portfolios as determined by the general partner or manager of such Portfolios, as applicable, in a fair and equitable manner. To the extent any such Operations Expenses are payable to any Operations Support Provider that is affiliated with the general partner or manager of a Portfolio by a Portfolio, or a Portfolio’s portfolio company, such Operations Expenses will not reduce any fees otherwise payable to the Adviser or its affiliates. The determination of the general partner or manager of a Portfolio, as applicable, as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Portfolios and their investors.

#### *Related Services*

Consistent with the Fund’s partnership agreements or other organizational documents, the Adviser will from time to time incur expenses, and a portfolio company will typically reimburse the Adviser for such expenses (including without limitation conference attendance expenses, database subscriptions and other expenses deemed by the Adviser to benefit such portfolio company, meals and entertainment and travel expenses, which have included, and may in the future include, expenses for “black car” transportation or chartered or first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the sharing arrangements described below. The Adviser determines the amount of these reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such

reimbursements will not (except in connection with the reductions described below) be disclosed to investors in the Fund.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

### *Diverse Membership*

The investors in the Fund generally include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors typically relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

### *Business with Portfolio Companies and Investors*

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Portfolios have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Portfolios, while the products or services recommended are not necessarily be the best available to the portfolio companies held by the Portfolios.

The Adviser has an incentive to recommend the products or services of certain investors in the Portfolios, certain Third Parties, or their related businesses to the Portfolios or their portfolio companies for use or purchase, even though the products or services recommended are not necessarily the best available to the Portfolios or the portfolio companies.

Portfolio companies controlled by a Portfolio provide services to certain Portfolio investors. The Adviser has an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Portfolio. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Portfolio.

The Advisers and/or its affiliates will from time to time engage in business opportunities arising from a Portfolio's investment in a portfolio company (for example, without limitation, entering

into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

The Adviser has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in the Portfolios and/or who provide services to businesses that are competitors of the Adviser. The Adviser has a conflict of interest with the Portfolios in recommending the retention or continuation of a service provider to the Portfolios or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Portfolios or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain members of the Fund's advisory board are, or in the future will be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund will from time to time utilize the services of investors and their affiliates on an arm's length basis, as it deems appropriate.

#### *Positions with Portfolio Companies*

Employees of the Adviser serve as directors of portfolio companies. Such employees will be required to remit some or all of any remuneration they receive as directors to the applicable Portfolios. In addition, employees of the Adviser will from time to time leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company.

#### *Side Letter Agreements*

Pursuant to the organizational documents of the Fund, the Adviser routinely enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited, to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

#### *Advisory Affiliates*

As described in Item 10 above, certain of the Adviser's investment adviser affiliates have their own Clients. Clients of the Adviser and these affiliates will from time to time invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. Interests of the Adviser's clients therefore conflict with the interests of the clients of these affiliates. For instance, see "Allocation of Investment Opportunities Among Portfolios and Allocation of Co-Investment Opportunities" and "Conflicts Related to Purchases and Sales" above for more information.

#### *Other Potential Conflicts*

The Adviser and the Portfolios will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Portfolios will on occasion be investors in a Portfolio, and will at times also represent one or more portfolio companies or investors in a Portfolio. In the event of a significant dispute or divergence of interest between Portfolios, the Adviser and/or its affiliates, the parties will engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will often be required. Additionally, the Adviser and the Portfolios will from time to time engage other common service providers. In such circumstances, there is a conflict of interest between the Adviser, on the one hand, and the Portfolios, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Adviser and/or Portfolios.

The Adviser has in the past and, in its discretion, may in the future, cause the Portfolios and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Portfolios and/or their portfolio companies typically bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there is a conflict of interest between the Adviser and the Portfolios (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

If a Portfolio purchases in the secondary market at a discount debt securities of a company in which a Portfolio has, for example, a substantial equity interest, (a) a court might require a Portfolio to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Portfolio might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

In certain circumstances, the partnership agreements (or analogous organizational documents) of certain Portfolios permit the general partner or manager of each such Portfolio to cause such Portfolio to distribute such general partner or manager's share of securities resulting from an investment disposition by such Portfolio to such general partner or manager in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the general partner or manager and the limited partners of the applicable Portfolio, because the general partner or manager has an incentive to cause the Portfolio to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the general partner or manager was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the general partner or manager, or its affiliates, may receive distributions in kind from an investment disposition. In the event the general partner or manager, or its affiliates, receive such a distribution, the general partner or manager

may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the general partner or manager shall determine. The ability of the general partner or manager to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or manager, or affiliate, as an adviser to the Portfolio, and the Portfolio.

The partnership agreements (or analogous organizational documents) of certain Portfolios permit each such Portfolio's general partner or manager, or its affiliates, to lend money to the applicable Portfolio. Such lending arrangements create conflicts of interest between the applicable general partner or manager or affiliate and the Portfolio acting as borrower.

The partnership agreements (or analogous organizational documents) of certain Portfolios generally permit each such Portfolio's general partner or manager to withhold information from certain limited partners or investors in such Portfolio in certain circumstances. For instance, information may be withheld from limited partners of certain Portfolios that are subject to Freedom of Information Act or similar requirements. In addition, the general partner or manager will generally elect to withhold certain information from such limited partners for reasons specified in the partnership agreements (or analogous organizational documents) of the applicable Portfolio, which includes, if the general partner or manager believes such disclosure would have an adverse effect on such Portfolio or any portfolio company of such Portfolio, is not in the best interest of such Portfolio or could damage such Portfolio or its business, despite the potential benefits to such limited partners of receiving such information.

In addition, the Adviser has established in the past, and may establish in the future, other separate accounts with portfolios significantly similar to those of one or more Portfolios. Consequently, investors in the relevant separate account may have access to information about such portfolio holdings before investors in such Portfolio.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons generally seek to alleviate conflicts of interest among the Portfolios or other persons.

## **Item 12. Brokerage Practices**

As the Fund invests primarily in private equity and real estate ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Fund, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

### **Selection of Brokers and Dealers**

For the Fund, the Adviser has, subject to the direction of such Fund's General Partner, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction in

public securities for a Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular public securities transaction, the Adviser takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks (“ECNs”) when placing public securities trades on behalf of the Fund. When purchasing or selling over-the-counter public securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser’s Chief Compliance Officer will periodically assess the quality of execution of public securities brokerage transactions effected on behalf of the Adviser and the Fund.

The Adviser does not receive “soft dollars” in connection with its use of broker-dealers.

### **Aggregation of Trades**

The Adviser does not currently engage in trading and there does not anticipate being in a position to aggregate trades.

## **Item 13. Review of Accounts**

### **Oversight and Monitoring**

The investment portfolio of the Fund is generally private, illiquid and long-term in nature, and accordingly the Adviser’s review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Fund and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes at least one Managing Director and other investment professionals of the Adviser

### **Reporting**

Investors in the Fund typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as quarterly performance reports within 45 days after each fiscal quarter end. The Adviser and the



applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

#### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons will, in certain instances, receive discounts on products and services provided by portfolio companies of Fund and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser will from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted and reimbursement for agreed upon expenses. Such Fund may, subject to any limitations set forth in its partnership agreement or other organizational documents, reimburse such fees. Advisory Fees received by the Adviser are generally reduced by the amount of such fees.

#### **Item 15. Custody**

As the Adviser relies on the “audit exemption” under the Advisers Act custody rule (i.e., Rule 206(4)-2(b)(4)), investors in the Fund will not receive account statements from the Fund’s custodians.

#### **Item 16. Investment Discretion**

The Adviser provides investment advisory services to the Fund and together, with GI Manager, provides investment advisory services to the Fund with discretionary authority to implement investment decisions. These decisions and related investment supervisory services are provided to the Fund in accordance with the Advisory Agreement with the Fund and/or organizational documents of the Fund. Investment restrictions for the Fund, if any, are generally established in the organizational or offering documents of the Fund. Investment advice is provided directly to the Fund (subject to the direction and control of the General Partner of such Fund) and not individually to investors in such Fund.

#### **Item 17. Voting Client Securities**

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Fund (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of the Fund by maximizing the economic value of the relevant Fund’s holdings.

Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. While the recommendation of management on any

issue is a factor which the Adviser considers in determining how Votes should be made, the Adviser does not consider recommendations from management to be determinative of the Adviser's ultimate decision. As a matter of practice, the Votes with respect to most issues are cast in accordance with the position of the portfolio company's management. Each issue, however, is considered on its own merits, and the Adviser will not support the position of a portfolio company's management in any situation where it determines that the ratification of management's position would adversely affect the investment merits of owning that company's securities.

Additionally, in some circumstances, a Fund will from time to time be party to stockholder or voting agreements requiring it to vote in a manner described in such agreements, in which case the Fund is bound to comply with these voting objectives. The investment team for an investment is responsible for monitoring compliance with any such voting agreement.

The fiduciary duty that the Adviser owes the Fund prohibits the adoption of a policy to enter default proxy votes in favor of management. Thus, the Adviser and the relevant investment team will review all proxies in accordance with the general principles outlined in its policy.

The Adviser is not required to vote every proxy and will refrain from voting when refraining from Voting is in a Fund's best interest.

The Adviser's Chief Compliance Officer has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. The Adviser's Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Fund.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client at no charge upon written request to: Nic Bernard at [nic.bernard@gipartners.co.uk](mailto:nic.bernard@gipartners.co.uk).

#### **Item 18. Financial Information**

Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.