

**Item 1. Cover Page**

GI Partners UK Limited.

35 Portman Square

5th Floor

London

W1H 6LR, United Kingdom

Part 2A of Form ADV: Firm Brochure

February 13, 2012

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 is also 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**

Item 2 is not applicable as this is the initial public filing of Form ADV Part 2A for GI Partners UK Limited (“GI Partners UK”).

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

<b>Item Number</b>	<b>Item</b>	<b>Page</b>
Item 1.	Cover Page .....	1
Item 2.	Material Changes .....	2
Item 3.	Table of Contents .....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	5
Item 6.	Performance-Based Fees and Side-By-Side Management .....	6
Item 7.	Types of Clients .....	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9.	Disciplinary Information.....	10
Item 10.	Other Financial Industry Activities and Affiliations .....	11
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12.	Brokerage Practices .....	13
Item 13.	Review of Accounts .....	14
Item 14.	Client Referrals and Other Compensation .....	15
Item 15.	Custody .....	16
Item 16.	Investment Discretion .....	17
Item 17.	Voting Client Securities .....	18
Item 18.	Financial Information.....	19
Item 19.	Requirements for State-Registered Advisers .....	19

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

GI Partners UK Limited (“GI Partners UK”), individually and in conjunction with its affiliates, provides investment advisory services primarily to pooled investment vehicles that are 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”). GI Partners UK manages GI Partners Fund II L.P. and its parallel fund, and GI Partners Fund III and its two parallel funds (collectively, the “GI Partners Funds,” or the “Funds”). GI Partners UK is one of two affiliated investment advisors to the GI Partners Funds. Along with its separately registered United States affiliate, GI Manager L.P. (“GI Partners ”), as well as each GI Partners Fund’s General Partner, GI Partners UK engages in some or all of the following activities, depending upon the stage of each Fund: identifying investment opportunities, and participating in the acquisition, management, monitoring and disposition of investments of, such Fund.

As described in more detail in the relevant private placement memoranda for the GI Partners Funds, the primary focus of these Funds is on making private equity investments, including leveraged buyout acquisitions and recapitalizations, real estate and real estate-related investments. The Funds do not invest in companies or assets outside of North America and Western Europe.

GI Partners UK provides investment advisory services to each of the GI Partners Funds pursuant to sub-advisory agreements with GI International L.P. Under these and similar agreements, GI Partners and GI Partners UK (collectively, the “GI Advisors”) have each agreed to provide advisory services, respectively, in regard to investments made in the United States and investments made in Europe. GI International L.P. is the designated management company of the GI Partners Funds, is under common ownership with the General Partners of the GI Partners Funds, and is under common control with the GI Advisors. GI Partners UK is owned by a parent company that is owned in equal proportions by Messrs Alfred L Foglio, Mark L. Tagliaferri and Philip B Kaziewicz. GI International L.P. is owned by the same three individuals and two other investment professionals.

GI Partners UK was formed in 2005 and its predecessor companies have been in business since 2001. GI International L.P. was formed in March 2008.

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

The GI Partners Funds generally pay management fees quarterly in advance and pro rata for any shorter period. Each of the GI Advisors receives a portion of the management fees payable by the GI Partners Funds. The management fee may be reduced or eliminated in some circumstances in connection with the receipt by GI Partners UK or its affiliates of fees they are permitted by their respective partnership agreements to charge to portfolio companies for customary activities such as closing fees, monitoring and advice. In addition, the GI Partners Funds are generally subject to a carried interest allocation in respect of distributions derived from profits arising from investments, subject to customary clawback provisions.

To the extent provided for by in the constitutive agreements of the GI Partners Funds, GI Partners UK bears the costs of certain operating, administrative and overhead expenses in providing the domestic management of the GI Partners Funds, including the costs and expenses of providing office space, facilities, equipment and all other ordinary operating expenses of GI Partners, including salaries and benefits. Each GI Partners Fund bears all other expenses relating to it, including legal, accounting, consulting, research, brokerage, custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of the expenses borne by the Funds may relate to costs associated with unexecuted transactions.

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

As stated under Item 5 above, the GI Partners Funds charge performance-based incentive fees which are based upon a percent of profits derived from these Funds' investments.

Such carried interest based on investment profits may create an incentive for affiliates of GI Partners UK to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such amounts.

As a general matter, GI Partners UK believes that it mitigates these conflicts in a number of ways, including careful analysis of investment opportunities, disclosure to its investors and a number of its investment professionals' significant side by side investment with the Funds. In addition, as indicated above, the GI Partners Fund agreements provide for customary "claw back" provisions.

**Item 7. Types of Clients**

GI Partners UK provides investment advisory services to privately offered Funds. Interests in the GI Partners Funds were privately offered pursuant to applicable exemptions from registration under the Securities Act of 1933, as amended (the “Securities Act”). Investors in GI Partners Funds generally include pension plans, financial institutions and other institutional investors. A minimum commitment amount has generally been required in GI Partners Funds.

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

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

Prior to recommending an investment for Fund, GI Partners UK performs due diligence analysis that takes into consideration the nature of the target and its industry and market position, and other material which may include some or all of the following:

*Market Definition.* Market definition is based on the economics of the business and the dynamics of customer behavior.

*Market Segmentation.* Within a defined market, market segments present vulnerabilities as well as opportunities.

*Competitive Position.* Strategic due diligence may include factors such as an analysis of the target's relative cost position, market and segment shares, technology, management, financial capability, and indicated future strategy.

*Management.* GI Partners UK evaluates members of the management team, works to ensure that economic incentives post-closing are aligned with the business plan, and takes whatever steps it identifies to support the management team.

*Regulatory, Environmental, Tax, Legal, Accounting.* GI Partners UK, and an experienced team of outside professionals, performs a full review of potential regulatory, environmental, tax, legal, and accounting contingencies, as needed, prior to making an investment.

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments and investors must be prepared to bear the risk of 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 GI Partners Funds in connection with those strategies and methods, include the following, along with those described in the private placement memoranda of each GI Partners Fund:

### ***Leveraged Investments***

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Some of the GI Partners Funds' investments involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have or have had a more pronounced effect on the profitability or survival of the GI Partners Funds' portfolio companies. A GI Partners Fund's ability to achieve attractive rates of return on investments will depend on the ability of its portfolio companies to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a GI Partners Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio



company cannot generate adequate cash flow to meet debt service, the applicable GI Partners Fund may suffer a partial or total loss of capital invested in the portfolio company.

***Illiquidity of Investments.***

The GI Partners Funds' investments may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, a Fund will not be able to sell these securities publicly in the U.S. without the expense and time required to register the securities under the Securities Act of 1933. Moreover, even when restricted securities are sold to the public, the applicable GI Partners Fund may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act. In addition, practical limitations may inhibit a Fund's ability to liquidate certain of its investments since the issuer generally will be privately held and the GI Partners Fund may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of a GI Partners Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

***General Risks Associated with Non-U.S. Investments.***

Investment in foreign issuers or securities principally traded overseas may involve certain special risks due to foreign economic, political and legal climates, including favorable or unfavorable changes in currency exchange rates, and the imposition of taxes on dividends, interest payments, or capital gains. Furthermore, issuers of foreign securities are subject to different, regulatory, reporting and disclosure requirements than domestic issuers.

**Item 9. Disciplinary Information**

GI Partners UK and its management personnel have not been involved in any legal or disciplinary events in the past ten years that would be material to an investor's evaluation of the company or its personnel.

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

Various entities (the “General Partners”) serve as general partners of the GI Partners Funds. GI Partners UK generally provides management services to the GI Partners Funds as a sub-advisor of an affiliated entity under common control with the General Partners and GI Partners. The investment committees of the GI Partners Funds are comprised of senior investment professionals of GI Partners and GI Partners UK.

Related persons of GI Partners UK may serve as directors of publicly traded companies and private companies that may not be current portfolio companies of a GI Partners Fund. The receipt of material non-public information by such persons regarding those companies could preclude or restrict the ability of a GI Partners Fund to make an investment in such a company. Compensation for directorships with portfolio companies of GI Partners Funds is treated similarly to other fees received by GI Partners, in that it results in a reduction of management fees payable to GI Partners.

Although the governing instruments of the Funds generally provide guidance as to allocation of opportunities, or contain specific provisions for the allocation of investments as among any actively investing Funds managed by GI Partners UK, the General Partners of the Funds will apply such provisions and address any other conflicts relating to allocation of investment opportunities in a manner that they believe to be appropriate in light of the circumstances of each Fund.

On occasion, conflicts may arise when a GI Partners Fund makes investments in conjunction with an investment being made by another Fund, or in a transaction in which another Fund has already made an investment. Investment opportunities may be appropriate for multiple Funds at the same time, possibly in different or overlapping levels of a portfolio company’s capital structure. Conflicts may also arise in determining the terms of investments or in the appropriate price for the purchase of an asset by an affiliated Fund. Conflicts of interest of this nature are generally governed by the partnership and constitutive agreements of the Funds, which typically require the approval of an appointed committee of investor representatives, who may in turn seek expert opinions as to valuation and similar matters at the time a transaction is submitted for approval.

It is possible that GI Partners UK or a related person may obtain goods or services from a portfolio company of a GI Partners Fund. In that event, the goods or services would be provided on arm’s length terms that are the same as those available to unaffiliated third parties, or if provided at a discount, at a discount similar to that available to other strategic partners or affiliates, such as employees, of the portfolio company.

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

GI Partners UK has adopted a Code of Ethics Policy for its employees. Among other things, the Policy prescribes standards of conduct and fiduciary duties, and limits personal trading by its employees. A copy of the Code of Ethics is available to investors in the GI Partners Funds upon request.

Certain investment professionals of GI Partners and GI Partners UK invest as limited partners in the GI Partners Funds. GI Partners UK believes that these investments align the interest of the Funds with the related persons of the firm and do not pose any serious issue of conflict of interest because they are generally made through a vehicle that invests pro rata alongside the investors in the Funds.

**Item 12. Brokerage Practices**

The GI Partners Funds hold relatively few publicly-traded investments and accordingly, GI Partners UK does not generally utilize the services of broker-dealers for transaction related services. In the event it obtains brokerage services, GI Partners UK seeks to obtain best execution of transactions. GI Partners UK does not utilize soft dollar arrangements nor does it direct trading activity in lieu of payments for services.

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

Investments made by the GI Partners Funds are carefully reviewed and approved by the investment committee. The portfolio investments of each GI Partners Fund are continuously reviewed by a team of investment professionals. The team typically includes at least one Managing Director and other investment professionals of GI Partners.

Investors in the GI Partners Funds receive annual reports, including audited financial statements. In addition, investors typically receive quarterly reports which include unaudited summary financial information following the end of each financial quarter. Investors in the GI Partners Funds also receive regular reporting updates through quarterly or monthly letters, investor meetings and other materials provided on the investor website.

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

Some of the GI Partners Funds have historically employed registered broker/dealers as placement agents pursuant to customary arrangements for assistance in connection with raising such Funds.

**Item 15. Custody**

The assets of the Funds are held in custody by unaffiliated broker/dealers or banks that serve as qualified custodians; however GI Partners UK may be considered to have custody because its related persons serve as General Partners of the Funds. Investors of the Funds do not receive statements from these custodians. The Funds are subject to annual audit by an independent public accountant, and as indicated above, investors receive the audited annual financial statements.



**Item 16. Investment Discretion**

GI Partners UK provides investment advisory services to the GI Partners Funds, and together with GI Partners, provides investment advisory services to the GI Partners Funds with discretionary authority to implement investment decisions. These decisions and related advice are subject to the constitutive agreements with the respective investors for each of the Funds.

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

The Funds are primarily invested in real estate assets and private companies, which typically do not issue proxies or proxy statements, except in the case of a portfolio company that goes public. As part of its policies and procedures, GI Partners UK adopted proxy voting policies and procedures which provide for maintaining records of all proxy votes cast on behalf of the Funds.

GI Partners and GI Partners UK frequently appoint or elect one or more representative on behalf of the relevant Fund to serve on the board of directors or equivalent body of a portfolio company. In situations where GI Partners UK votes the proxy for such a company, GI Partners UK believes this does not present a conflict of interest, because the sole purpose of the board representation is to monitor the investment and ensure that the Funds' interests in respect of the investment are protected. A copy of the proxy voting policy or information regarding how the GI Partners UK voted proxies in respect of a particular portfolio company will be provided to clients or prospective clients at no charge upon 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 GI Partners UK.

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

Item 19 is not applicable to GI Partners UK.