

Item 1. Cover Page

Allianz Capital Partners of America LLC

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Part 2A of Form ADV: Firm Brochure
April 2, 2018

This brochure provides information about the qualifications and business practices of Allianz Capital Partners of America LLC. If you have any questions about the contents of this brochure, please contact us by calling 212-938-0632 or e-mailing gregor.bobowick@allianzcapitalpartners.com. 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 Allianz Capital Partners of America LLC is available on the SEC’s website at 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 section discusses only material changes to the Part 2A Brochure of Form ADV since the date of our last annual update, March 27, 2018. Effective April 1, 2018, Allianz Capital Partners of America, Inc. was converted from Delaware corporation to a Delaware limited liability company and the firm was renamed Allianz Capital Partners of America LLC (“Advisor”). Subsequently, through a series of capital contributions, the equity interest of the Advisor was transferred from Allianz of America, Inc. to its indirect subsidiary Allianz Global Investors U.S. Holdings LLC. As the Advisor continues to be indirectly wholly-owned by Allianz SE, there has been no change in ultimate control.

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The firm name was updated to reflect its organization as a limited liability company.

Item 4, Advisory Business

The firm name and ownership structure have been updated.

Item 10, Other Financial Industry Activities and Affiliations

The firm ownership structure has been updated and additional affiliates included.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Item 3. Table of Contents

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Item 4. Advisory Business

Allianz Capital Partners of America LLC (“Advisor”), a Delaware limited liability company, is a registered investment adviser with principal office in New York, New York. The Advisor is a direct wholly-owned subsidiary of Allianz Global Investor U.S. Holdings LLC, which in turn is owned indirectly by Allianz SE, a diversified global financial institution. The Advisor (formerly known as Allianz Capital Partners of America, Inc.) has been in business since December 9, 2002. Effective April 1, 2018, the Advisor was converted from a Delaware corporation to a Delaware limited liability company and, through a series of capital contributions, the equity interest of the Advisor was transferred from Allianz of America, Inc. to its indirect subsidiary Allianz Global Investors U.S. Holdings LLC.

The Advisor provides investment advice regarding investments in North and South American private equity funds to Allianz Capital Partners GmbH (“ACP”), a German affiliate of the Advisor, as well as Allianz Investment Management LLC (“AIM”), a U.S. affiliate of the advisor, both of which are indirect wholly-owned subsidiaries of Allianz SE (the “Allianz Group”). Through its advisory agreement with ACP, the Advisor provides sub-advisory services to certain European collective investment vehicles (the “Funds”) advised by ACP and owned in whole or in part by third-party investors. None of these European Funds have used U.S. jurisdictional means to conduct an offering of securities. For purposes of Form ADV and this brochure, the Advisor has treated these Funds as though they were “Clients” of the Advisor.

The Advisor provides investment supervisory services to each Fund in accordance with an investment management agreement and service level agreement between the Advisor and ACP, which acts as managing limited partner to or otherwise advises the Funds. The Advisor provides investment advice to ACP and does not have direct client contact with the Funds or with the investors in the Funds. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

As of December 31, 2017, the Advisor manages a total of \$3,865,671,013 in assets on behalf of Allianz Group affiliates and third-party investors. Excluding assets managed on behalf of members of the Allianz Group, this includes \$148,662,502 of third-party Client assets. All of these assets are managed on a non-discretionary basis.

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds, the Advisor receives from ACP an advisory fee (“Advisory Fee”) equal to 105% of the Advisor’s administrative cost for providing such services. Advisory Fees are paid by ACP and are not borne by the Funds. The Advisor also receives from AIM a fixed advisory fee based on AIM’s commitments to target funds, which were recommended by the Advisor.

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

Item 6 is not applicable to Allianz Capital Partners of America LLC

Item 7. Types of Clients

The Advisor currently provides indirect investment supervisory services to certain pooled investment vehicles.

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

Methods of Analysis and Investment Strategies

Strategy:

Diversification

The Advisor seeks to spread the Funds' investments in individual target funds over a period of roughly two to four years and build up a portfolio which is widely diversified with regard to the regional orientation, planned transaction volumes, investment style and financing phase of the individual target funds.

Exit

The Funds generally seek to hold the target fund interest until the target fund's dissolution. In exceptional cases a target fund interest may be sold on a secondary market.

Method of analysis:

The process itself encompasses several phases (**Sourcing, Screening, Due Diligence and Closing**). Continuous supervision (**Monitoring**) commences when the selection has been made and the interest acquired. The individual phases are described in more detail below:

Sourcing: The success of an investment programme depends very strongly on the generation of a quantitatively and qualitatively high-grade deal flow. Only those investors whose knowledge of the market allows them to identify interesting possibilities for investment at an early stage and who also gain access to these on account of their position in the market are in a position to build up a high-quality and simultaneously diversified investment programme in the long term. ACPoA pursues a number of coordinated approaches in this context:

- Actively addressing potentially interesting funds;
- Maintaining a tight network of contacts with other market players;
- Observing and analysing interesting target markets;
- Acting as reference investor.

Screening: Potentially interesting funds are subjected to an initial analysis by the relevant investment manager. A first meeting with the fund manager frequently takes place within the framework of this first screening. Criteria for a positive outcome to the screening process include the following, in particular:

- Attractive historical development of the return on investment;
- First personal meetings and a competent, trustworthy impression of the relevant team members;

- Sound references;
- Terms and conditions for participation in the fund (fees, etc.) conform with market standards.

Due Diligence: If the screening process has proven successful, the fund is subjected to a detailed due diligence procedure. This represents the core element in the investment process and normally takes between three and six months. Due diligence not only encompasses purely quantitative aspects, but also includes comprehensive interviews with the fund manager's team in the latter's offices, as well as visits to portfolio companies if applicable. The deal team is usually made up of one or two investment managers and a managing director for each fund undergoing due diligence. Within the context of due diligence, all aspects of relevance to the investment are investigated and subjected to critical review. Key aspects include the following:

- Comprehensive analysis of the track record;
- Review of the investment strategy with regard to its consistent nature and consistent implementation;
- Review and possibly re-evaluation of unrealized investments;
- Development of a well-founded understanding of the people involved and of the distribution of roles within the management;
- Verification of the fund managers' statements on the basis of reference meetings with the managers of former and active portfolio companies, as well as with the fund managers' business partners;
- Seeking additional independent references.

The results of the due diligence procedure are compiled in a detailed investment memorandum that serves as the proposal for the investment decision to be made by the relevant investment committee.

Closing: Even as the due diligence procedure continues, the partnership agreement of the relevant fund is reviewed with regard to legal, economic, fiscal and supervisory aspects and negotiations are held in an effort to obtain the best possible contractual terms for the Funds.

Monitoring: Closing is directly followed by ongoing supervision. This phase continues until the target fund is dissolved after selling its last participation and is referred to as monitoring. Further details are set out below:

- Ongoing analysis of the investment progress, as well as of portfolio development and performance;
- Regular contact with the managers of the target funds;
- Attending annual partnership and advisory board meetings at the level of the target funds, as the case may be;
- Qualitative assessment of fund development as well as the development of its management company.

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 Funds 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 Funds, 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, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' 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. 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 Funds 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 target fund to sell these securities when 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 Funds to buy, sell and partially dispose of their target fund investments. The Funds may 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 Advisor 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.

Entrepreneurial Risks

No guarantee can be given that the chosen investments in target funds by way of primary and secondary private equity fund transactions and their portfolios will develop as expected. Further, there will be no commercial hedging. Often, even if developments are favourable, it can take years until distributable proceeds are generated. It is not guaranteed that proceeds will be generated at all. There is the possibility of a net loss for one or more years, in particular during the investment period. There is a risk that a Fund does not receive any returns whatsoever from the holdings in target funds and that all capital invested is lost. A Fund invests directly or indirectly with equity capital so if a target fund becomes insolvent a total loss can be expected.

Attention is particularly drawn to the fact that the individual target funds in the Funds have different risk profiles and therefore the portfolios subscribed for by investors in the Funds can develop differently from one another. Increased risks can arise particularly with venture capital funds because the portfolio companies of these target funds are usually companies which can still be in, for example, a start-up phase and/or loss-making phase. In particular, management problems and/or problems of a technical nature (for instance) can mean that the investments must be written off either in whole or in part. The profitability of venture capital funds is furthermore significantly determined by the possibilities available for disposing of the investments, which can be subject to cyclically-induced changes in the market. Corresponding risks can, of course, also arise with other target funds

Lack of Transferability and Liquidity

Participation in a Fund is in principle an illiquid investment. An investor in a Fund cannot withdraw funds during the term of the Fund and remains obliged to make capital contributions until its obligation to make capital contributions has been fulfilled and it can only dispose of its interest in the Fund under certain circumstances. There is a limited market for such interests so such interests can typically only be sold – if at all – at a discount on their intrinsic value. It should also be noted that a Fund invests in target funds, which are, in principle, equally illiquid.

A Fund intends to make distributions in the course of its term. A Fund will only be in a position to make such distributions if it generates distributable proceeds from the target funds. Consequently, it is not guaranteed that the Fund in fact will be in a position to make distributions during its term.

Spreading of Risk

There is no guarantee that the portfolio of a Fund will comprise a sufficiently large number of holdings in target funds to diversify the Funds' investment risk or that the entire capital committed can be invested in full.

Different Jurisdictions

The legal relationships of the target funds and those of their portfolio companies are likely to be governed by different legal systems. Usually the legal system of the respective country of incorporation or country of domicile applies. The diversity of jurisdictions involved can lead to different effects on the respective participations in the target funds.

Statutory Amendments

Amendments to statutory provisions, including changes in the interpretation, application and treatment of statutes can at any time lead to negative effects of a legal and tax nature on a Fund and the target funds.

Management of the Fund

The success of a Fund will largely depend on the expertise of the management. It is not guaranteed that the persons named as Fund management will provide a Fund with their expertise during the entire term of a Fund. The same applies to the target funds.

Exchange Rate Risk

The calling of capital and distributions by a Fund shall be made in Euros. Since a Fund and the target funds will invest not only within but also outside of the Eurozone, exchange rate

fluctuations may have a negative effect on the performance of the portfolio companies and the target funds as well as on a Fund's obligations towards the target funds to make capital contributions. Furthermore, the possibility of negative effects, for example because of restrictions on international capital movements, cannot be ruled out. A Fund does not intend to hedge its holdings against exchange rate fluctuations.

Sanctions in the Event of Default

The Funds will successively draw down the entire capital subscribed to from the investors. If an investor does not meet his payment obligation in due time, its interest can be disposed of or forfeited.

Forecast and Performance Risk

The Funds intend to minimise the risk of bad investments by intensively examining investment opportunities and risks by means of a due diligence. However, this does not constitute any guarantee that the investments in the chosen target funds will develop as envisaged.

The Funds, as a principle, will not have any rights to give instructions to the target funds. Since the investments made are usually only minority holdings, the Fund can be outvoted in target fund meetings. The choice of investments by the target funds are determined solely by the management of the respective target funds. An investor has no influence on the choice of the target funds. This is incumbent upon solely the management of the Funds.

Item 9. Disciplinary Information

Item 9 is not applicable to the Advisor.

Item 10. Other Financial Industry Activities and Affiliations

The Advisor is owned by Allianz Global Investors U.S. Holdings LLC, a Delaware limited liability company. Allianz Global Investors U.S. Holdings LLC is a wholly owned subsidiary of Allianz Asset Management of America L.P., a Delaware limited liability company. Allianz Asset Management of America L.P. is indirectly owned by Allianz SE, a diversified global financial institution that directly or indirectly owns other asset management firms.

The Advisor is part of Allianz Global Investors. Allianz Global Investors is the marketing name for a global asset management business that operates through affiliated entities throughout the world. Those affiliated entities include Allianz Global Investors U.S. LLC, an SEC-registered investment Advisor, and Allianz Global Investors Distributors LLC, and SEC-registered broker-dealer.

The Advisor is also related, through common ownership or otherwise, to Allianz Investment Management LLC, an SEC-registered investment adviser.

The Advisor is related, through common ownership or otherwise, to a number of non-U.S.

investment advisers, including (but not limited to) Allianz Capital Partners GmbH (“ACP”). The Advisor provides investment advisory services to the Funds, which are advised by ACP. ACP is a “foreign private adviser” exempt from registration under Section 203(b)(3) of the Investment Advisers Act of 1940, as amended.

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

Code of Ethics

The Advisor has adopted a written Code of Ethics that is applicable to all of its officers and employees, as well as to every natural person (whether or not an employee of the Advisor) who is subject to the Advisor’s supervision and control who (i) has access to nonpublic information regarding a Fund’s purchase or sale of securities, (ii) who is involved in making securities recommendations to a Fund, or (iii) who has access to securities recommendations to a Fund that are nonpublic. (collectively, “Advisor 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. Advisor Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Advisor Personnel are also required to file certain periodic reports with the Advisor’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Advisor detect and prevent potential conflicts of interest.

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

Allianz Capital Partners of America LLC
Gregor Bobowick
1633 Broadway, 42nd Floor
New York, New York 10019-7585
gregor.bobowick@allianzcapitalpartners.com

Participation or Interest in Client Transactions

Certain members of the Allianz Group may invest in the Funds, either through the General Partners, as direct investors in the Funds or otherwise. Similarly, certain members of the Allianz Group may invest in target funds in which the Funds invest and may directly invest in portfolio companies in which the target funds invest. For further details regarding these arrangements, as

well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

The Advisor and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In particular, members of the Allianz Group may invest in target funds in which the Funds invest and may directly invest in portfolio companies in which the target funds invest. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Advisor, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Advisor addresses such conflicts of interest, can be found below.

Resolution of Conflicts

In the case of all conflicts of interest, the Advisor’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Advisor’s best judgment, but in its sole discretion. In resolving conflicts, the Advisor may consider various factors, including the interests of the applicable Funds 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 may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Advisor believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- (3) Where the Advisor 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;
- (4) 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; and
- (5) The Advisor and certain of its affiliates have adopted written policies establishing information “walls” designed to limit communication between business units investing in target funds (such as the Advisor) and business units investing directly in private equity transactions. These policies restrict the transfer of confidential information between these business units, subject to certain exceptions provided in the policies. These policies also establish procedures for communications among

employees of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities

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

- The Funds;
- Members of the Allianz Group and/or third parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Members of the Allianz Group and/or third parties acting as “co-sponsors” with the Advisor with respect to a particular transaction.

In recognition of its fiduciary duties, it is the policy of the Advisor to treat its clients fairly and equitably in the allocation of investment opportunities and transactions more generally. The Advisor has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith. The commitment period has expired for each of the Funds to which the Advisor currently provides investment advisory services. Accordingly, the Funds may not be eligible to invest in opportunities that become available subsequent to the expiration of such periods.

The Advisor must first determine which Funds will participate in an investment opportunity. The Advisor assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s offering memoranda and organizational documents. Prior to making any allocation to a Fund of an investment opportunity, the Advisor determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Advisor may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities may be set forth in a Fund’s offering documents and/or operating agreement
- **Related Investments:** the Advisor may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.

- Legal and Regulatory Exclusions: the Advisor may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that will participate in a particular investment have been identified, the Advisor, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Advisor may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Composition of each Fund's portfolio;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

The Advisor will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any Fund or class of Funds in relation to any other Funds. Further, the Advisor will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund, (ii) the profitability of any Fund or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a target fund's or portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company or target fund. Questions may 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 may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company or target fund. Certain clients of the Advisor and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, 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, Funds may be prohibited from exercising voting or other rights, and may be 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 Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Advisor. Related persons of the Advisor and its affiliates have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

Cross-Transactions

In certain cases, the Advisor may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Advisor might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Advisor, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Advisor and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and the Advisor's affiliates may also be entitled to share in the investment profits of the relevant Funds. To address these

conflicts of interest, in connection with effecting such transactions, the Advisor will follow the Investment Allocation Requirements of the relevant Funds (e.g., the organizational documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, the Advisor's Chief Compliance Officer, in consultation with the Advisor's investment personnel, will be responsible for confirming that the Advisor (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. The Advisor will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Advisor will not effect any such transaction for any Fund where the Advisor may be deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Advisor's principal transactions policy, as described below.

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 Advisor's management of the Funds, the Advisor and its affiliates may engage in principal transactions. The Advisor 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 Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the offering documents, limited partnership agreements or other organizational documents and related documents relating to the Funds generally contain additional restrictions on the ability of the Funds or the Advisor to engage in principal transactions.

Management of the Funds

The Advisor manages a number of Funds that may have investment objectives similar to each other. The Advisor may in the future manage one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of the Advisor responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Advisor, including Funds that the Advisor may manage in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Follow-on Investments

Investments to finance follow-on acquisitions may 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 Fund in a portfolio company / target fund in which another Fund has previously invested. In addition, a Fund may participate in re-leveraging and recapitalization transactions involving a target fund in which another Fund has already invested or will invest. Conflicts of interest may arise, including 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.

Conflicts Relating to the General Partner / manager and the Advisor

The Advisor generally may, in its discretion, recommend to a Fund or to a portfolio company / target fund thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Advisor or a related person of the Advisor (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Advisor or its affiliates or a member of their personnel has a relationship or from which the Advisor or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Advisor may, because of its financial or other business interest, have 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 Advisor, its affiliates, and Advisor Personnel may buy or sell securities or other instruments that the Advisor has recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Such transactions are subject to the policies and procedures set forth in the Advisor's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Advisor have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments.

Other Potential Conflicts

The Advisor and the Funds may engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more target funds or portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Advisor and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Advisor and its affiliates, and in litigation and other circumstances separate representation may be required.

The partnership agreements (or analogous organizational documents) of certain Funds permit the General Partner/ Manager of each such Fund to cause such Fund to distribute such General Partner's/ Manager's share of securities resulting from an investment disposition by such Fund to

such General Partner or its affiliates 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 Manager/General Partners and the limited partners of the applicable Fund, because the General Partner/ Manager may have an incentive to cause the Fund 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 /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).

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's General Partner / Manager to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner /Manager may elect to withhold certain information to such limited partners for reasons relating to the Manager's/ General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

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

Item 12. Brokerage Practices

As the Funds invest primarily in private equity funds, the Advisor anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a target fund, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). The Advisor does not ordinarily select, or recommend the selection of broker-dealers for transactions by the Funds. However, to meet its fiduciary duties to the Funds, the Advisor 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

Investments by Funds in target funds will not typically involve a broker/dealer or payment of a commission. In the event a target fund should make an in-kind distribution of securities to a Fund, the Advisor or its affiliates will ordinarily seek instruction from the Fund as to whether and how it wishes to dispose of such securities, and any such transactions will ordinarily be placed by ACP with the broker-dealer identified by the Fund. In the event the Advisor should exercise any investment discretion in placing any transaction for a Fund with a broker-dealer, the Advisor 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 transaction, the Advisor 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 Advisor may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Advisor 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 Advisor, in consultation with the Advisor's CCO, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Advisor and each Fund.

Aggregation of Trades

The Advisor and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders may employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Advisor and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Advisor and its affiliates may aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Advisor's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Advisor's review of them is not directed toward a short-term decision to dispose of securities. However, the Advisor closely monitors the target funds in which the Funds invest, including the target funds' underlying portfolio companies, and generally maintains an ongoing oversight position in such target funds and portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes the investment professionals of the Advisor.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 90 days after each fiscal quarter end. The Advisor and the applicable General Partner, if any, may 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 Advisor by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

Item 15. Custody

To the extent assets of a Fund are held by one or more qualified custodians, such qualified custodians may send account statements to investors in such Fund. Such investors should compare any account statement received from the Fund's qualified custodian(s) to account statements the Advisor or its affiliates deliver to investors.

Item 16. Investment Discretion

Investment advice is provided to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Item 17. Voting Client Securities

The Advisor lacks the authority to vote securities held by the Funds. Certain of the Advisor's supervised persons may, from time to time, serve on one or more advisory boards with respect to target funds in which the Funds invest. In this context, such supervised person may be asked to consider matters involving actual or potential conflicts of interests between target funds. In such cases, the supervised person will seek to, and will seek to ensure that the target funds, act fairly and equitably towards investors in each target fund.

Item 18. Financial Information

Item 18 is not applicable to the Advisor.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Advisor.