



Rhône Group L.L.C.

Part 2 of Form ADV Brochure Document

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Rhône Group L.L.C. and certain of its affiliates. If you have any questions about the contents of this Brochure, please contact us at (212) 218-6700 or email us at info@rhonegroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or any state securities authorities.

Additional information about Rhône Group L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 2

Material Changes

Rhône Group L.L.C. (“Rhône” or the “Company”) is required to identify and discuss material changes made to this Brochure since its last annual update filed on March 31, 2014. While there have been no material changes to Rhône’s business, we note the following updates:

Item 4 – Advisory Business. Item 4 was updated to include a description of certain Company practices relating to co-investment opportunities. Total assets under management was also updated to reflect such figure as of December 31, 2014.

Item 5 – Fees and Compensation. Item 5 was updated to include a description of the treatment of certain fees and compensation in connection with co-investment opportunities, including how broken deal expenses are addressed between Funds (as further described in Item 4) and co-investors. In addition, Item 5 was augmented to describe and reflect the addition of an Operations Group (as further described in Item 5), including that, as a general matter, payment for services provided by the Operations Group will not offset management and monitoring fees payable by a Fund. Finally, Item 5 was modified to include a summary of the Company’s practices regarding reimbursement of certain fees, costs and expenses and how fees, costs and expenses may be allocated among Funds.

Item 6 – Performance-Based Allocations and Side-by-Side Management. Item 6 was updated to include additional disclosure regarding the Company’s practices regarding the timing of investment realizations, the allocation of investment opportunities among Funds and the allocation of co-investment opportunities. The updates to Item 6 also include information regarding the Company’s co-investment policy and a description of certain risks that may occur if a Fund over-commits capital to a particular investment.

Item 7 – Types of Clients. Item 7 was updated to describe the types of investors that may participate in the Funds.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss. Item 8 was updated to enhance the disclosures regarding to certain risks relating to investments in the Funds, including additional considerations regarding (a) substantial fees and expenses that may be incurred in connection with an investment in a Fund and (b) conflicts of interests that may arise in connection with an investment in a Fund, such as the following: matters regarding senior advisors, operating executives and the Operations Group; other activities of Rhône and its affiliates; a general partner’s profit participation; investments in which a general partner of a Fund or its affiliates have a different principal investment; co-investments by Rhône or its affiliates; co-investments by multiple Funds; the reimbursement of expenses; the recommendation of service providers; pre-existing relationships held by Rhône and its affiliates; diversity of investors in a Fund; and separate agreements with limited partners.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, Personal Trading. Item 11 was updated to provide additional disclosure regarding the Company’s allocation of co-investment opportunities among its Funds and the participation by partners, members,

managers and employees of Rhône and its affiliates in such co-investment opportunities, including through co-investment vehicles.

Item 12 – Brokerage Practices. Item 12 was enhanced to identify a list of factors that Rhône may consider in selecting a broker.

ITEM 3

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ITEM 4

Advisory Business

Rhône was founded in 1996 and is led by its managing directors.¹ Rhône provides discretionary investment advisory services to private equity funds (the “Funds”) both directly and through investment advisory affiliates under its supervision and control. Advisory services are tailored to the specified investment mandates of each Fund as set forth in each Fund’s private placement or confidential offering memorandum, subscription materials and constituent documents, in each case, as amended or supplemented from time to time. Investment advice is not provided to the individual limited partners or investors of any Fund. As a general matter, the Company focuses on investment opportunities in market leading, cash flow generating businesses with a pan-European or transatlantic presence and expansion projects, although the type of investments pursued for a particular Fund may be modified or adjusted, as appropriate, in accordance with the mandate of a particular Fund.

In addition, the Company provides, or may provide, advisory services to a number of special purpose vehicles through which certain of the Funds invest or alternative investment vehicles that are formed pursuant to, and in accordance with, the terms of the constituent documents of the Funds and the related subscription materials or as set forth in the applicable private placement or confidential offering memorandum. These vehicles are generally formed to facilitate portfolio investments by the Funds for legal, tax or regulatory purposes.

To the extent that a particular investment opportunity exceeds the desired aggregate allocation to a Fund, in view of investment size, type, available capital, diversification, location, holding period and other relevant considerations, Rhône from time to time may offer personnel and/or certain other persons associated with Rhône and/or its affiliates (to the extent not prohibited by the applicable constituent documents) or third parties the opportunity to co-invest in such investment opportunity. Rhône and its affiliates may also offer co-investment opportunities to other persons or firms who Rhône or its affiliates believe will be of benefit to the Funds and/or may provide a strategic benefit. Rhône may also organize one or more vehicles to invest in certain of its Funds or to co-invest alongside other Funds to facilitate personal investments by such persons or firms and by partners, managers, members, officers and employees and their related parties and associates of Rhône or of control entities.

Such co-investments typically involve the acquisition and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase (i) a class of security or interest in a portfolio company that is different from that held by a Fund or (ii) a portion of an investment initially acquired by a Fund, in each case, subject to any terms, conditions or restrictions set forth in the constituent documents or related subscription materials of a particular Fund or as set forth in the applicable private placement or confidential offering memorandum. Any such purchase of interests in a portfolio company directly or indirectly from a Fund by a co-investor or co-invest vehicle generally occurs

¹ The terms “Rhône” and the “Company” are used in this Brochure to refer to Rhône Group L.L.C. and certain of its advisory affiliates, including any relying adviser and affiliates that serve as the general partner for certain Funds.

simultaneously with, or shortly after, the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-invest vehicle may be charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

Limited partnership (or equivalent) interests in the Funds will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Funds will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests, units or shares, as may be applicable, in the Funds will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements.

As of December 31, 2014, the Company had total assets under management (including uncalled capital commitments) of approximately \$3.2 billion, all of which was managed on a discretionary basis.

ITEM 5 Fees and Compensation

Management and Monitoring Fees and Performance Allocations

Rhône is compensated by the Funds for its advisory services through the receipt of management and monitoring fees, as well as a share of profits realized from investment dispositions (referred to herein as a "performance allocation"), as described in more detail below. Each affiliate of Rhône that serves as a general partner of a Fund is entitled to receive a performance allocation from such Fund. ***The specific payment terms and other conditions of the management and monitoring fees and other compensation as well as performance allocations available to Rhône or a general partner of a Fund are set forth in the relevant private placement or confidential offering memorandum, subscription materials and constituent documents of each Fund, in each case, as amended or supplemented from time to time.***

In the case of certain Funds, the applicable general partner has the unilateral discretion to waive or modify the application of certain provisions of the constituent documents of such Fund with respect to an investor in such Fund (typically those related to management and monitoring fees as well as performance allocations) without obtaining the consent of any other investor in such Fund. The applicable general partner generally waives all management and monitoring fees and performance allocations from managing directors, principals, employees and senior advisors of Rhône and its affiliates, as well as for family members, certain managers affiliated with portfolio investments, and other persons with a current or historical relationship with Rhône or one of its affiliates, as determined by such general partner.

Management and monitoring fees are generally payable quarterly in advance or quarterly in arrears, depending on the Fund. The specific terms relating to management and monitoring fees are contained in a Fund's relevant private placement or confidential offering memorandum, subscription materials and constituent documents, in each case, as amended or supplemented

from time to time. In addition, management and monitoring fees are payable during the term of the Fund.

The management and monitoring fees that Rhône receives for services provided to certain of its Funds may be based on capital contributions as opposed to capital commitments. Because Rhône will not receive management and monitoring fees from such Funds until capital is drawn, there is an incentive for Rhône to invest such Funds' capital earlier than it may have if management fees were based on capital commitments.

Transaction Fees, Monitoring Fees and Termination Fees

Rhône also may receive certain fees in connection with its Funds' portfolio investments. In such cases, Rhône may receive (i) a transaction fee in connection with a portfolio investment made by a Fund (a "Transaction Fee") and/or (ii) a reasonable monitoring fee in respect of a portfolio investment (a "Monitoring Fee"). In addition to Transaction and Monitoring Fees, Rhône may also receive a fee in connection with its termination of a monitoring agreement with a portfolio company upon the occurrence of certain events, including a change of control or initial public offering relating to the subject portfolio company (a "Termination Fee"). Termination Fees may comprise amounts, paid upon a triggering event, that otherwise would have accrued over a longer period of time.

In some cases depending on the terms of the constituent documents of a Fund, the Transaction Fee, Monitoring Fee, Termination Fee or other fees received by Rhône from portfolio companies may be applied to reduce the management or monitoring fee payable to Rhône by such Fund on a pro rata basis reflecting such Fund's interest in such portfolio company.

Fees and Compensation from Co-Investments; Treatment of Broken Deal Expenses

As a general matter, Rhône and any of its affiliates may charge management and other fees to, or receive a performance allocation from, any co-investors; however, Rhône and its affiliates may elect not to charge or receive any such amounts in connection with such co-investment opportunities.

In addition, Rhône may receive compensation for Transaction, Monitoring, Termination and other services performed as a result of co-investments made in portfolio companies of the Funds. As a matter of practice, Rhône is typically paid Transaction, Monitoring and Termination Fees from, on behalf of or with respect to co-investors participating in a particular investment. The receipt of such fees attributable to the participation in an investment by a co-investment will not reduce any management and monitoring fees payable by any Fund that also holds an interest in such investment.

As noted previously, Rhône or one of its affiliates may permit certain investors to co-invest in portfolio companies alongside one or more Funds. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all broken deal expenses

relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors that were to have participated in such transaction.

Operations Group

As further described herein and in the relevant private placement or confidential offering memorandum of each Fund, Rhône or one of its affiliates, including any Fund or its portfolio companies, may retain certain persons primarily to provide manufacturing, sales, marketing, technology, human resources, acquisition integration / rationalization and / or other operations services, acquisition or other due diligence, or similar services (the “Operations Group”) to the Fund, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Fund or any alternative investment vehicle. The Operations Group, or any of its members, may or may not be affiliated with Rhône. Members of the Operations Group may include, among others, industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity who provide consulting and other services.

Services provided by the Operations Group may also include operational improvement initiatives or taking management or policy-making positions for portfolio companies. The services provided by the Operations Group are to be on terms no more favorable than would be obtained on an arm’s length basis for such services (as determined by Rhône or its applicable affiliates acting reasonably). Compensation to members of the Operations Group may include transaction or other service fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or their respective general partners, or other compensation, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such service providers, a percentage of the value of the 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 company. No such compensation will offset the any management and monitoring fees payable by any Fund. The use of the Operations Group subjects Rhône to conflicts of interest, as further discussed under Item 8 – “Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest” below.

Other Expenses

In addition to the fees described above, other than with respect to certain administrative expenses of specific Funds, investors in the Funds generally bear all expenses related to the organization of a Fund (in some cases subject to a cap), its operations (including legal, consulting, insurance, financing, accounting and custodian fees and expenses), litigation and indemnification expenses, as well as expenses incurred in connection with the making, financing, holding, managing, hedging, sale or proposed sale of each Fund investment and any taxes, fees or other governmental charges levied against any Fund.

In the event Rhône or any of its affiliates, including the general partner (or similar person) of a Fund, incurs any fees, costs, expenses or other liabilities noted in the immediately preceding paragraph on behalf of any Fund, Rhône or such of its affiliates shall be entitled to

reimbursement from such Fund or its portfolio investment for such fees, costs, expenses or other liabilities.

Rhône and its affiliates may from time to time incur fees, costs and expenses on behalf of more than one Fund or multiple Funds. To the extent such fees, costs and expenses are incurred for the account or benefit of more than one Fund, each Fund will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in the activity or entity to which the expense relates (subject to the terms of each Fund's applicable constituent documents) or in such other manner as Rhône or its applicable affiliates consider fair and equitable under the circumstances. Rhône and its applicable affiliates endeavor to allocate such fees, costs and expenses on a fair and equitable basis. Notwithstanding the foregoing, Rhône may in the future develop policies and procedures to address the allocation of expenses that differ from its current practices.

In addition, Rhône may engage, or cause the Funds to engage, placement agents to market and sell interests in the Funds to prospective investors in a Fund. Rhône requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of the Financial Industry Regulatory Authority. Rhône may impose a placement fee, on a disclosed basis, on the relevant investors to compensate unaffiliated third parties who assist in obtaining subscriptions to such vehicles. In these cases, Rhône reduces such investor's management and monitoring fee to the extent that any placement fees are borne by any such investor.

Please refer to the discussion under Item 12 – "Brokerage Practices" below for additional information relating to brokerage and other transaction costs.

ITEM 6

Performance-Based Allocations and Side-by-Side Management

Rhône receives performance-based allocations from the Funds, as noted above. Rhône's right to a share of profits realized from investment dispositions may create an incentive for Rhône to make riskier or more speculative investments on behalf of a Fund than would otherwise be the case. Rhône has procedures and practices in place to ensure that all investment decisions are made in accordance with investment objectives and restrictions, as outlined in the offering documents of each Fund. The Company does not receive performance-based allocations with respect to unrealized gains of Fund investments.

Generally, the Funds invest in securities or other assets that are illiquid and lack a readily assessable market value. Such illiquid investments are typically subject to the management and monitoring fees described above. In some cases, a Fund's assets may be valued at fair value for financial statement reporting purposes and at historical cost unless the asset has suffered a permanent impairment in value for purposes of calculating fees and performance allocations. Valuing assets at historical cost absent a permanent impairment of value results in more stable asset values over time and may result in Rhône receiving higher management fees than would otherwise be received if assets were valued at fair value, especially during periods when asset values are generally declining. In addition, valuing assets at historical cost may result in the general partner of a Fund receiving a higher performance allocation than it would if assets were

valued at fair value. The constituent documents of each Fund disclose the valuation methodology applied under the applicable circumstances.

Timing of Investment Realizations

The terms applicable to distributions of performance allocations could incentivize Rhône and its affiliates to make decisions regarding the timing and structure of realizations of portfolio investments that may not be in the best interests of the Funds. For example, under the typical terms of a private equity-style distribution “waterfall” of a Fund, distributions of performance allocations become payable earlier if profitable investments are liquidated before unprofitable investments because such a waterfall does not permit any distributions of performance allocations until after the cumulative amount of distributions has covered any prior losses associated with unprofitable investments. Further, in the “catch-up” period that occurs after investors have received the applicable priority return (typically set at eight percent per year, compounded annually), the general partner or similar person of the Fund entitled to the performance allocation will typically receive 100 percent of distributions until such time as it receives 20 percent of the Fund’s cumulative profits. During this period, the general partner or similar person is heavily incentivized to bring realizations forward and lock in returns (and stop the accrual of the priority return), even though the investors might achieve a better overall return if the Fund retained the investment for a longer period of time. The governing documents of the Funds generally contain a requirement that the general partner or similar person make a commitment to the capital of the fund and include a “clawback” requiring the general partner or similar person to return excess distributions to investors (often at the end of the term of the Fund) in the event that the general partner or similar person receives more profits on an aggregate basis over the life of the Fund than it should have pursuant to the performance allocation, each of which tends to mitigate the foregoing conflicts. However, since any “clawback” owed to investors of a Fund is typically calculated on an after-tax basis under the applicable constituent documents, investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the general partner or similar person throughout the term of the Fund.

In addition, Rhône and its applicable affiliates may be incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing management fees in the interim and, potentially, a more likely or larger distribution of a performance allocation if such asset’s value appreciates in the future. This incentive may be increased by the presence of “clawbacks” in certain Funds where the general partner or similar person is under an obligation to return to the Fund’s investors any excess distributions of performance allocations received by such general partner or similar person upon the Fund’s termination.

Allocation of Investment Opportunities Among Funds

Rhône is committed to allocating investment opportunities among its Funds in a manner that, over time, is fair and equitable to each of its Funds. To accomplish this goal, Rhône and its affiliates take into consideration the potential investment opportunity and the individual characteristics and mandates of each Fund. Rhône has established policies and procedures to guide the determination of such allocations.

Allocation of Co-Investment Opportunities

Rhône or the applicable general partner, in its sole discretion, may provide or commit to provide co-investment opportunities to one or more investors in a Fund (whether directly or indirectly), in each case on terms to be determined by Rhône or the applicable general partner in its sole discretion. In addition, Rhône or the applicable general partner may offer any co-investment opportunity to any third party investor who Rhône or the applicable general partner determines, in its sole discretion, provides strategic benefit or other value to the Fund or such investment opportunity. To the extent any investor in a Fund does not accept such investment opportunity, Rhône or the applicable general partner shall have the right, but not the obligation, to allocate such opportunity for its own account or the account of one or more third parties.

The allocation of co-investment opportunities as described above may not be in the best interests of the Fund or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, Rhône or the applicable general partner may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by Rhône or one or more of its affiliates.

The Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Any persons or entities that propose to co-invest with a Fund in connection with any transaction (including, without limitation, Rhône principals, employees and affiliates) may only be responsible for a share of the fees and expenses associated with such transaction to the extent such transaction is actually consummated. Accordingly, to the extent any such transaction is not consummated, the full amount of any expenses relating to any such proposed transaction may therefore be borne fully by the applicable Fund.

Co-Investment Policy

Rhône will be under no obligation to provide co-investment opportunities and may offer a co-investment opportunity to one or more of the co-investors described above without offering such opportunity to any of the other potential co-investors. Co-investments will generally be made, at the investment level, on economic terms substantially no more favorable to co-investors than those on which a Fund invests and any such co-investment generally will be sold or otherwise disposed of at substantially the same time (and in the case of a partial disposition, in substantially the same proportion) as a Fund's disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such co-investors than to a Fund. However, as noted above, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a class of security or interest in a portfolio company that is different from that held by a Fund, which may also affect the timing of

the disposition of such investment, necessitating an earlier or later disposition than that of a Fund. In such cases, Rhône follows its policies and procedures established to allocate investment opportunities among its Funds.

Over-Commitment by a Fund

In order to facilitate the acquisition of a portfolio company, Rhône or one or more of its affiliates may make (or commit to make), or may cause one or more of their Funds to make (or commit to make), an investment in such portfolio company with a view to selling a portion of such investment to co-investors or other persons prior to or within a period after the closing of the acquisition. In such event, the Funds then-holding such investment will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the applicable Funds may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or may realize lower than expected returns from such investment. Rhône and its affiliates endeavor to address such risks by requiring such investments to be in the best interests of its Funds, regardless of whether any sell-down ultimately occurs. None of Rhône or any of its affiliates will be deemed to have violated any duty or other obligation to the Funds or any of their respective investors by engaging in such investment and sell-down activities.

ITEM 7

Types of Clients

Rhône provides investment management services to certain foreign and domestic pooled investment vehicles organized as limited partnerships and other foreign legal entities. The Funds are not registered under U.S. federal securities laws. All U.S. persons investing in a Fund must be “accredited investors” (as defined in Regulation D of the Securities Act) or, either alone or with one of its representatives, have sufficient knowledge and experience in financial and business matters to make such person capable of evaluating the merits and risks of investing in a Fund. Investors may also be required to satisfy other conditions when appropriate such as being a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act. Details concerning applicable investor eligibility or suitability requirements are included in the offering documents relating to each Fund, including its private placement or confidential offering memorandum, subscription materials and constituent documents, in each case, as amended or supplemented from time to time, which are furnished to all investors in a Fund.

The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, or other corporations or business entities and may include, directly or indirectly, principals or other employees of Rhône and its affiliates and members of their families, senior advisors, operating executives and members of the Operations Group, or other service providers retained by Rhône.

Investors must meet certain minimum initial investment thresholds, which vary by Fund. Investment amounts below the minimum required may be accepted at Rhône's discretion.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

As a general matter, the objective of the Funds is to generate returns on investment, primarily through long-term capital appreciation, subject to the specific provisions of the mandate set forth in each Fund's private placement or confidential offering memorandum, subscription materials and constituent documents, in each case, as amended or supplemented from time to time. Each Fund generally expects to make equity and equity-related investments in situations where it will be the primary institutional investor or part of a group of institutional co-investors, in each case, with management rights appropriate for the investment. However, a Fund may also invest in debt securities or other instruments, so long as such investment is within the investment mandate of such Fund. Investments include, but are not limited to, management buy-outs or leveraged acquisitions, recapitalizations, growth equity investments, spin-offs from large corporations, and industry consolidation platforms. Specific descriptions of such strategies and methods are included in each Fund's private placement or confidential offering memorandum, subscription materials and constituent documents, in each case, as amended or supplemented from time to time. This summary should not be interpreted to limit in any way Rhône's investment activities.

Before Rhône devotes significant resources to pursuing an investment opportunity, the transaction team prepares an introductory memorandum regarding the target company for review by Rhône's Investment Committee. Each introductory memorandum is expected to contain an analysis of certain high-level information available at that stage of the potential investment, including (to the extent available) a description of the target and the anticipated transaction, a description of the target's business, a general review of the industry, an investment thesis, a summary of the risks and merits of the opportunity, and a recommendation by the team. Following review of the introductory memorandum and discussion with the transaction team, the Investment Committee determines whether a Fund should pursue the opportunity, raising particular concerns to be addressed in further due diligence. If it is determined to move forward with the proposed investment, the transaction team then continues to update and inform the Investment Committee of significant developments on a regular basis throughout the due diligence process until it is in a position to submit a final investment memorandum for consideration and decision.

Rhône performs significant research into each prospective investment and disposition. Such research generally includes, among other things, a review of the target company's financial statements, comparisons with similar public and private companies (to the extent such information is available) and relevant industry data. In conducting such research, Rhône consults a variety of sources generally accepted by the financial community, including the following: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, due diligence materials and other internal documentation made available by the target and, if applicable, annual reports, prospectuses, filings with the SEC and company press releases. It also engages the services of

experts and consultants with expertise in relevant areas, and requests and seeks out additional materials it deems relevant.

Typically, Rhône seeks to invest in cash-generative businesses that offer compelling value, particularly through identified international growth opportunities. While maintaining a primary focus on pan-European and transatlantic businesses, Rhône expects to build on its experience in other international markets to opportunistically consider investments in companies with significant operations outside Europe and North America.

All investing involves a risk of loss. An investment in a Fund may be deemed a speculative investment, is not intended as a complete investment program and may result in a partial or total loss of capital. It is designed for sophisticated investors who fully understand, and are capable of evaluating the merits and risks of an investment in a Fund and bearing the associated risk of an investment. Further, it is not anticipated that there will be an active secondary market for Fund interests, and it is not expected that such a market will develop. In general, withdrawals of capital from the Funds are not permitted and interests are not redeemable. No guarantee or representation is made that a Fund's investment objectives will be achieved or that investors will receive a return of their capital. Performance could be negatively affected by a number of risks.

The following risk factors are generally applicable to the Funds:

No Assurance of Investment Returns

Rhône cannot give any assurance that investments held in a Fund will generate returns, or that returns will be commensurate with the risks of investing in the types of companies and transactions that fall within such Fund's individual investment objectives.

Substantial Fees and Expenses

Funds typically pay management fees, offering and organizational expenses and other expenses relating to its operations (including legal, consulting, insurance, financing, accounting and custodian fees and expenses), litigation and indemnification expenses, as well as expenses incurred in connection with the making, financing, holding, managing, hedging, sale or proposed sale of each Fund investment and any taxes, fees or other governmental charges levied against any Fund, in each case as set forth in the constituent documents of such Fund. Each Fund is responsible for the foregoing fees and expenses irrespective of whether it makes any profits. While it is difficult to predict the future expenses of Funds, such expenses may be substantial. Please see Item 5 – "Fees and Compensation" for additional information on fees and expenses.

Illiquid and Long-Term Investments

A Fund investment requires a long-term commitment with no certainty of return. Investments are expected to be highly illiquid, and there can be no assurance that a Fund will be able to realize such investments in a timely manner or at all. Although certain investments by a Fund may generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such

investment. In some cases a Fund may be prohibited by contract from selling certain securities for a period of time.

Limited Diversification; Investment Concentration

Each Fund will participate in only a limited number of investments and, as a consequence, the aggregate return on an investment in a Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, in transactions where Rhône intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of having an unintended long-term investment and/or reduced diversification.

A Fund may also seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect their aggregate returns. Furthermore, to the extent that the capital raised by any Fund is less than the targeted amount, such Fund may invest in fewer portfolio companies and thus be less diversified.

Leverage

The companies in which the Funds invest will likely have outstanding debt, or debt-like, obligations which increase its leverage. Leverage may result in negative consequences for these companies, including the impairment of a company's ability to finance its future operations and capital needs, and may subject them to restrictive financial and operating covenants. As a result, a company's flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. Additionally, the securities acquired by the Funds will generally be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss.

Lack of Sufficient Investment Opportunities

It is possible that a Fund may never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, investors may be required to pay annual management fees during the applicable commitment period based on the entire amount of their capital commitments.

Performance Allocations

The fact that the performance allocations received by Rhône are based on a percentage of net profits may create an incentive for Rhône to cause the Funds to make riskier or more speculative investments than would otherwise be the case.

Control Person Liability

Rhône expects to obtain the right to control many of the Funds' portfolio companies. Rhône typically will designate directors who serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets

of a Fund to claims by a portfolio company, its security holders and its creditors, including claims that a Fund is a controlling person and thus liable for securities laws violations by a portfolio company. These measures also could result in certain liabilities in the event of bankruptcy or reorganization of a portfolio company, or could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company.

Projections

Projected operating results of a portfolio company in which the Funds invest normally will be based primarily on financial projections prepared by such company's management. In all cases, projections are only estimates of future results that are based upon 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.

Dilution

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

Non-Controlling Investments

The Funds may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect their positions in such portfolio companies, although where practicable and appropriate, the investing Fund generally will seek shareholder rights to protect its interests. The Funds' investments in entities they do not control could materially affect their ability to influence the business and cause their exit from an investment.

International Investments

Certain Funds may invest a significant portion of their capital in securities denominated in euros. Because investments in non-euro securities may involve non-euro currencies and because the Funds may temporarily hold funds in bank deposits in such currencies during the life of an investment, the Funds may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, and may incur transaction costs in connection with conversions between various currencies. In addition, because companies in certain jurisdictions are not subject to highly stringent or uniform accounting, auditing, and financial reporting standards, practices and requirements, the types of information available about such companies may be different from and of lower quality than information available in certain other jurisdictions. With respect to certain countries, there may be the possibility of expropriation or confiscatory taxation, political or social instability, limitation on the removal of funds or other assets or repatriation of profits, U.S. and foreign withholding taxes, import duties or other protectionist measures, or diplomatic developments which could affect investments in those countries.

Conflicts of Interest

Any of the following situations subjects Rhône and/or its affiliates to potential conflicts of interest. Rhône attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Rhône to investors in investment vehicles managed by it, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Rhône will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary and appropriate, Rhône consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

Senior Advisors, Operating Executives and the Operations Group. As described above, portfolio companies and, in some cases, the Funds, typically pay certain fees to other companies and individuals, which may be affiliates of Rhône, employees of Rhône or one of its affiliates, portfolio companies of other Funds managed by Rhône or its affiliates, third party consultants (including individual members of the Operations Group, consultants and external executives), “operating partners”, “strategic partners”, “executive partners” or “senior advisors” (collectively, “Special Consultants”). Special Consultants may be engaged to provide services to, or in connection with, any Fund in relation to its activities or one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies.

Special Consultants may make use of Rhône resources or otherwise be associated with Rhône. Rhône and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Although the use of Special Consultants and the allocation of compensation paid to them by Rhône, its affiliates and/or the portfolio companies may subject Rhône and/or its affiliates to potential conflicts of interest. Rhône believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Funds) that will result if the quality of the services of the Special Consultant make a greater contribution to the success of the portfolio company. Although Rhône seeks to retain Special Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. When possible and appropriate, Rhône also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Rhône believes will align such persons’ interests with those of the Funds’ limited partners.

Senior Advisors and Operating Executives may receive compensation from or in connection with portfolio companies, or participate in the equity plans of portfolio companies. Such compensation will not result in offsets to or reductions of the management and monitoring fee of any Fund. Senior Advisors and Operating Executives are also not subject to the restrictions on other employees, members, managers, partners of Rhône or any of its affiliates such as conflicts of interest, allocation of investment opportunities, and formation of other vehicles.

Other Activities of Rhône and its Affiliates. Rhône provides a variety of services, including management and consulting services to the Funds, their general partners and other affiliated investment vehicles through arrangements between Rhône, the general partner of each Fund and the other entities managing affiliated investment vehicles. Because of the activities in which Rhône and its officers, directors, managers, employees and agents may engage, certain conflicts of interest may arise, including in the allocation of management resources. Certain people may be unable to commit the amount of time to any Fund and its related portfolio companies that they might otherwise be able to commit in the absence of such conflicts. In addition, Rhône, its personnel, the general partner of each Fund and their affiliates currently hold, and are expected to continue to hold, interests in, and to form, manage and advise other investment vehicles that may have objectives similar, in whole or in part, to any particular Fund.

Subject to the terms and conditions of their then-existing obligations, Rhône and its affiliates may also enter into or engage in new businesses not currently conducted by them. Additional conflicts of interest may arise as a result of these new lines of businesses that cannot be anticipated at this time. In addition, these additional responsibilities may further limit the ability of Group and its personnel to dedicate the necessary resources to any Fund and its portfolio companies.

General Partner's Profit Participation. The existence of the right of the general partner of any Fund to receive a performance allocation may create an incentive for such general partner to make riskier or more speculative investments on behalf of a Fund than would be the case in the absence of this arrangement. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair value of such property as determined by the general partner of such Fund in its discretion. An independent appraisal will not be required and is not expected to be obtained.

Investments in which the General Partner of a Fund or its Affiliates Have a Different Principal Investment. Subject to certain restrictions contained in the constituent documents of a Fund, investment funds that may be formed or managed by Rhône or its affiliates may invest in companies or other entities in which a Fund has an investment, or a Fund may make investments in portfolio companies partially owned by other investment vehicles managed by Rhône or its affiliates. In such situations, a Fund and such other investment funds affiliated with Rhône or its affiliates may have conflicting interests (*e.g.*, over the terms, exit strategies and related matters including the exercise of remedies of their respective investments). Furthermore, to the extent that a Fund holds interests that are different (or more or less senior) than those held by such other vehicles, Rhône or its affiliates may be presented with decisions involving circumstances where the interests of such vehicles are in conflict with those of such Fund.

Co-investment by Rhône and Its Affiliates. Under certain circumstances, the partners, members, employees and managers of Rhône and its affiliates will be permitted to make co-investments with or through the Fund on terms that are not available to its other investors Fund generally. In addition, Rhône and its affiliates may negotiate for and retain certain carried interest or other incentive fees from co-investors in entities in which the Fund invests.

Co-investments by Multiple Funds. Investment opportunities may be appropriate for multiple Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company.

Investments by more than one client of Rhône in a portfolio company may also raise the risk of using assets of a client of Rhône to support positions taken by other clients of Rhône. When and to the extent that employees and related persons of Rhône and its affiliates make capital investments in or alongside certain Funds, Rhône and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from 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.

Reimbursement of Expenses. A portfolio company typically will reimburse Rhône or service providers retained at Rhône's discretion for expenses (including without limitation travel expenses) incurred by Rhône or such service providers in connection with its performance of services for such portfolio company. This subjects Rhône and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. Rhône determines the amount of these reimbursements in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Rhône or such service providers generally is subject to agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Recommendation of Service Providers. Rhône generally exercises its discretion to recommend to a Fund or to one of its portfolio companies that it contract for services with (i) Rhône or a related person of Rhône (which may include a portfolio company of such Fund) or (ii) an entity with which Rhône or its affiliates or current or former members of their personnel has a relationship or from which Rhône or its affiliates or their personnel otherwise derive financial or other benefit. This subjects Rhône to conflicts of interest, because although Rhône selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Rhône may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Rhône, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Rhône has a relationship or receives financial or other

benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. In addition, because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Rhône as noted above, are reimbursed by a Fund and/or its portfolio companies, Rhône may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Pre-existing Relationships. Rhône and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Rhône and/or its affiliates; conversely, former personnel or executives of Rhône and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Rhône. Similarly, Rhône, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Rhône and/or its affiliates, and/or the Funds or other investment vehicles they advise. Rhône may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Rhône information about markets and industries in which Rhône operates (or is contemplating operations) or will provide other services that are beneficial to Rhône. Rhône may have a conflict of interest in making such recommendations, in that Rhône has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Diversity of Investors in a Fund. Investors in a particular Fund may, and are generally expected to include, persons and entities resident or organized in various jurisdictions, including the North and South American, Asian, Middle Eastern and European countries and Australia and New Zealand, who may have conflicting investment, tax and other interests with respect to their investments in any particular Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring of the acquisition of investments, the purchase by such Fund of assets from a portfolio company where certain investors did not participate in such Fund's investment in such portfolio company, and the timing or structuring of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Rhône or its affiliates, including with respect to the nature of structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Investors in any particular Fund will include partners, members, employees and managers of Rhône or its affiliates, the majority of whom are individuals subject to taxation in the United States. In selecting and structuring investments appropriate for any particular Fund, its general partner will not consider the individual investment, tax or other objectives of any investor; however, certain investors in such Fund, either directly through its interest in such Fund or indirectly through limited partnership interests in such general partner, such as investment professionals and other employees of Rhône, may have a disproportionate

influence over such Fund either due to the size of their commitment or their participation in the management of such general partner.

Separate Agreements with Limited Partners. Rhône or its affiliates may enter into a side letter or other similar agreement with a particular investor with respect to a particular Fund, without the approval of any other limited partner, which would have the effect of establishing rights under, altering or supplementing the terms of the partnership agreement of such Fund with respect to such investor in a manner more favorable to such investor than those applicable to other investors in such Fund.

The risks identified above do not provide a complete explanation of the risks associated with an investment in the Funds. Prior to making a commitment to invest in a Fund, investors should carefully read the private placement or confidential offering memorandum, subscription materials and constituent documents of that Fund, in each case, as amended or supplemented from time to time, and consult with their own financial, legal and tax advisers.

ITEM 9 Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item.

ITEM 10 Other Financial Industry Activities and Affiliations

RGA

A subsidiary of the Company, Rhône Group Advisors LLC ("RGA"), is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority ("FINRA"). However, neither Rhône nor any of its members, managers or employees currently has a relationship that is material to Rhône's advisory business with a related person that is a broker-dealer, including RGA. As discussed below under Item 12 – "Brokerage Practices", portfolio transactions on behalf of the Funds are executed by unaffiliated brokers selected by Rhône in its sole discretion.

Luperca

A subsidiary of the Company, Luperca Management C.V., a *commanditaire vennootschap* organized under the laws of the Netherlands ("Luperca"), serves as an investment manager to certain Funds organized under the laws of the Netherlands and their respective alternative investment vehicles and special purpose vehicles (collectively, the "Dutch Funds"). The Dutch Funds are private investment funds whose principal investor is a sophisticated financial institution. As an affiliated advisor of Rhône, Luperca intends to conduct its activities in accordance with the Advisers Act and the rules thereunder. Any person acting on behalf of Luperca is and shall be subject to the supervision and control of Rhône. Luperca is relying on Rhône's registration under the Advisers Act and is not registering itself.

General Partners of Funds

The Funds are managed by general partner entities which are affiliates of Rhône (the “GP Entities”). While the GP Entities are not separately registered as investment advisers with the SEC, their advisory activities are subject to the Advisers Act, and such entities are subject to examination by the SEC. In addition, any person acting on behalf of the GP Entities is and shall be subject to the supervision and control of Rhône.

Certain inherent conflicts of interest arise from the fact that: (1) Rhône will provide advisory services to more than one Fund and (2) the Funds may have one or more overlapping investment objectives. The Funds may have similar investment strategies and participation in specific investment opportunities may be appropriate for more than one Fund. In such cases, participation in investment opportunities will be allocated pursuant to Rhône’s allocation policy and procedures. Please see Item 8 – “Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest” for additional information and disclosure on these matters.

From time to time, Rhône may acquire securities or other financial instruments of an issuer for one Fund that are senior or junior securities, or financial instruments of the same issuer that are held by, or acquired for, another Fund (e.g., one Fund may acquire an equity position in a portfolio company while another Fund may acquire mezzanine debt). For example, in the event such issuer enters bankruptcy, the Fund holding securities that are senior in bankruptcy preference may have the right to aggressively pursue the issuer’s assets to fully satisfy the issuer’s indebtedness to the Fund, and as a fiduciary, Rhône would have an obligation to pursue such remedy on behalf of the Fund. As a result, a Fund holding assets of the same issuer that are more junior in the capital structure may not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and may suffer a loss. Rhône recognizes that conflicts may arise under such circumstances and will endeavor to treat all Funds fairly and equitably. To that end, Rhône has adopted procedures that are designed to enable it to address such conflicts and to ensure that the Funds are treated fairly and equitably. Please see Item 4 – “Advisory Business” and Item 8 – “Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest” for additional information and disclosure on these matters.

ITEM 11

Code of Ethics, Participation or Interest in Client Transactions, Personal Trading

Rhône has adopted a Code of Ethics, which is predicated on the principle that Rhône owes a fiduciary duty to its clients. The Code of Ethics applies to all managers, members, principals and supervised persons of Rhône. The Code of Ethics imposes restrictions and safeguards on the use of material, non-public information, and all managing directors and employees of Rhône must comply with the Company’s insider trading policy. As a general matter, Company employees are not permitted to purchase or sell securities held by the Funds, or which are under active consideration for investment or divestiture by the Funds, except at the same time and on the same terms as the Funds. In addition, all managing directors and employees of

Rhône are required to submit securities holdings and transaction reports to the Company's Chief Compliance Officer on a periodic basis.

Investors and prospective investors may obtain a copy of the Company's Code of Ethics by contacting the Chief Compliance Officer by email at info@rhonegroup.com.

In addition, partners, members, managers and employees of Rhône and its affiliates may, and do, directly or indirectly own an interest in Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Consequently, Rhône, its partners, members, managers and employees and certain of its related persons participate in transactions effected for clients of Rhône. In addition, partners, members, managers and employees of Rhône currently do, and may in the future, receive directors' fees for serving on the board of directors of a portfolio company, which may be retained in whole or in part by Rhône, subject to credits to any management and monitoring fees in accordance with the relevant constituent documents of a Fund.

Additionally, a Fund may invest together with other Funds advised by an affiliated adviser of Rhône, subject to the terms of such Fund's constituent documents and Rhône's co-investment policy. Rhône will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with Rhône's obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's constituent documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions. In the case of co-investments, Rhône may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Please see Item 4 – "Advisory Business" and Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest" for additional information and disclosure on these matters.

All partners, members, managers and employees of Rhône and its affiliates are required to comply with applicable federal securities laws at all times.

The foregoing relationships and any other actual or potential conflicts of interest relating to an investment in a Fund are disclosed in more detail in the relevant private placement or confidential offering memorandum, subscription materials and constituent documents of each Fund, in each case, as amended or supplemented from time to time.

ITEM 12

Brokerage Practices

Given the Company's strategy of investing primarily in private equity assets, Rhône executes very few direct securities transactions on behalf of the Funds. However, in the event of a securities transaction, Rhône is authorized to determine the broker or dealer to be used in its sole discretion. In selecting brokers or dealers to execute transactions, the Company seeks to

obtain best execution and minimize trade costs and the risks of trade errors. In selecting a broker to execute client transactions, Rhône may consider a variety of factors, including the following: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Rhône does not have any soft dollar arrangements with broker-dealers, nor does the Company select broker-dealers in exchange for client or investor referrals.

ITEM 13

Review of Accounts

All investments are carefully reviewed and approved by the Investment Committee of Rhône. Investments in portfolio companies are reviewed and monitored on a continuous basis. As such, Rhône investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook, and other issues related to current portfolio holdings and potential investment opportunities.

The Funds generally deliver information to their investors on a quarterly basis. The information provided to each investor is in line with the requirements of the Funds' applicable constituent documents and generally includes the following information: (1) quarterly investor summaries; (2) a portfolio summary; and (3) unaudited financial statements. On an annual basis, investors receive audited financial statements of the applicable Fund as well as certain tax information.

ITEM 14

Client Referrals and Other Compensation

Only clients provide economic benefit to Rhône for providing investment advice or other advisory services.

Rhône has historically engaged, and may engage or cause the Funds to engage in the future, placement agents to market and sell interests in the Funds to prospective investors. Rhône requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of FINRA.

ITEM 15

Custody

In connection with the management of investments for certain clients, Rhône may have, or may be deemed to have, custody of certain funds or securities of its clients. Rule 206(4)-2 (the "Custody Rule") under the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client's accounts or ownership of or access to client funds or securities (such as through fee deductions).

With the exception of certain assets, which are defined as "privately offered securities" per the Custody Rule, all Fund assets are held in custody by unaffiliated broker-dealers or banks acting

in the capacity as “qualified custodians”. With respect to certain Funds, Rhône may be deemed to have custody of its funds or securities, and with respect to other Funds, the Fund’s general partner may be deemed to have custody of its funds or securities. Rhône has developed procedures that ensure the safeguarding and protection of the assets. Such procedures include, among other things, the separation of functions and multiple approvals for the distribution of Fund capital.

The Funds are subject to an annual audit performed by a nationally recognized public accounting firm and the audited financial statements are distributed to each investor.

ITEM 16

Investment Discretion

In accordance with the terms and conditions of the relevant private placement or confidential offering memorandum, subscription materials and constituent documents of each Fund, in each case, as amended or supplemented from time to time, the general partner of each Fund generally has full discretionary authority to determine, without obtaining consent from investors in such Fund, the investments to be bought or sold on behalf of the Funds.

ITEM 17

Voting Client Securities

As a general matter, clients of Rhône vote proxies on their own behalf. However, because Rhône could be deemed to have authority to vote proxies relating to the companies in which its Funds invest, Rhône has taken steps to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of its clients, as determined by Rhône (or the relevant general partner) in its sole discretion. In circumstances where no conflict of interest exists, client proxies are voted in accordance with the recommendation made by the client’s representative on the company’s board of directors.

From time to time, conflicts may arise between the interests of the investor in a Fund, on the one hand, and the interests of Rhône or its affiliates, on the other hand. If Rhône determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Rhône will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations. Rhône, in its sole discretion, may elect not to vote a proxy if unduly burdensome. In the event of a material conflict of interest, the matter in question may be presented to the advisory board of a Fund, as applicable, in accordance with terms of that Fund’s constituent documents.

Investors in a Fund may not direct how any interests in a company held by a Fund may be voted.

Investors may obtain a copy of our policies and procedures relating to proxy voting as well as a record of the proxy votes made in respect of assets held by the Funds by emailing the Chief Compliance Officer at info@rhongroup.com or by writing to the address listed on the cover page of this brochure.

ITEM 18
Financial Information

Rhône has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to meet any contractual obligations to its clients.