



Rhône Group L.L.C.

Part 2 of Form ADV Brochure Document

630 Fifth Avenue, 27th Floor
New York, NY 10111

T (212) 218-6700

F (212) 218-6789

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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 ("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.

Rhône Group L.L.C. is a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Recipients of this brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

ITEM 2

Material Changes

In February 2012, Rhône Group L.L.C. filed its initial application to register as an investment adviser with the SEC with effectiveness requested for March 30, 2012. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first brochure of Rhône Group L.L.C. designed to provide its new and prospective clients with information about Rhône Group L.L.C.'s business practices and conflicts of interest. We encourage all recipients to read this brochure carefully in its entirety.

In the future, this section will identify and discuss material changes to our business since the last update to make clients and investors aware of information that may be important to them.

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ITEM 4

Advisory Business

Rhône Group L.L.C. (“Rhône” or the “Company”) 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. In general, the Company targets middle-market investments in companies with operations in Western Europe and North America.

In addition, the Company provides 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. These vehicles are generally formed to facilitate portfolio investments by the Funds for legal, tax, or regulatory purposes.

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, 2011, the Company had approximately \$3.3019 billion in discretionary assets under management.

ITEM 5

Fees and Compensation

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 fee and other compensation as well as performance allocations available to Rhône 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 constitutional documents of such

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 affiliates that serve as the general partner for certain Funds.

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.

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 some cases, a percentage of any such Transaction Fee and Monitoring Fee is applied to reduce the management or monitoring fee payable to Rhône.

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 fee to the extent of any placement fees borne by any such investor.

Management and monitoring fees are generally payable quarterly in advance or quarterly in arrears depending on the Fund. Rhône intends to amend the relevant provision of any Fund constituent documents not in compliance with the immediately preceding sentence prior to the effectiveness of its registration under the Advisers Act. In addition, management and monitoring fees are payable during the term of the Fund.

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, 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. Please refer to the discussion under "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 policies and procedures 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.

The management 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 fees from such Funds until capital is drawn, there is an incentive for Rhône to invest such Funds' capital earlier than they would have if management fees were based on capital commitments.

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 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 in respect of these circumstances.

ITEM 7

Types of Clients

Rhône provides investment management services to certain foreign or 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). 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.

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

The objective of the Funds is to generate returns on investment, primarily through long-term capital appreciation. 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. 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.

Before Rhône devotes significant resources to pursuing an investment opportunity, the transaction team prepares a preliminary investment memorandum regarding the target company for review by Rhône's Investment Committee. Each memorandum is expected to contain an analysis of the information available at that stage of the potential investment including (to the extent available) the target company's industry, operations, management team, financial performance, and business plan. Following review of the preliminary investment 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. 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 detailed final investment memorandum for final review 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.

As a general matter, 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 trans-Atlantic middle-market 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 the Funds may be deemed a speculative investment and is not intended as a complete investment program. 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. 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 including, but not limited to, the following:

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 type of companies and transactions that fall within such Fund's individual investment objectives.

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

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.

Leverage

The companies in which the Funds invest will likely be highly leveraged. Leverage may result in negative consequences for these companies. Leverage may impair a company's ability to finance its future operations and capital needs and may subject it 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.

Risks Arising from Provision of Managerial Assistance

Rhône expects to obtain the right to participate substantially in the conduct of the management of 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.

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.

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.

Investors should refer to the private placement or confidential offering memorandum, subscription materials and constituent documents of a Fund, in each case, as amended or supplemented from time-to-time, for a complete description of the risks involved in an investment in a Fund.

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. 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 "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.

From time to time, Rhône may acquire securities or other financial instruments of an issuer for one Fund which 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 which 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 which 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.

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 principal 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 disclosing any participation in initial public offerings and private placements. 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.

Rhône, its managing directors, members and certain related persons may, and do, invest in the Funds directly or indirectly through investment vehicles. Consequently, Rhône, its managing directors, members and certain of its related persons participate in transactions effected for clients of Rhône. In addition, employees 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.

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.

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 its 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) 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

No one who is not a client provides an economic benefit to Rhône for providing investment advice or other advisory services to its clients.

Rhône may engage, or cause the Funds to engage, 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 the Financial Industry Regulatory Authority.

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

Rule 206(4)-6 under the Advisers Act (the “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because Rhône may be deemed to have authority to vote proxies relating to the companies in which its Funds invest, Rhône has adopted a set of policies and procedures (together, the “Proxy Policy”) in compliance with the Proxy Rule. To the extent that Rhône exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected 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 the clients, as determined by Rhône (or the relevant general partner) in its sole discretion.

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.

Investors may obtain a copy of our Proxy Policy as well as a record of the Company’s proxy votes by emailing the Chief Compliance Officer at info@rhonegroup.com or by writing to us at 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.