



## **Form ADV Part 2A: Firm Brochure**

### **Bridge Growth Partners, LLC**

February 2017

#### **Principal Office**

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This brochure provides information about the qualifications and business practices of Bridge Growth Partners, LLC and its affiliates (collectively “Bridge Growth”). If you have any questions about the contents of this Brochure, please contact Tom Manley at 212-560-1175 or email [tom.manley@bridgegrowthpartners.com](mailto:tom.manley@bridgegrowthpartners.com).

Additional information about Bridge Growth is also available on the United States Securities and Exchange Commission’s (the “SEC”) website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Bridge Growth is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## **Item 2: Material Changes**

Since the last annual update of this Brochure that was filed on March 30, 2016, the following is a discussion of the material changes:

- Item 4 – we have updated the description of the advisory business to reflect the current ownership information of Bridge Growth and the amount of client assets that Bridge Growth manages.

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## Item 4: Advisory Business

Bridge Growth is a private equity firm formed in May 2013 and organized as a limited liability company under the laws of the State of Delaware. Bridge Growth is owned and controlled by Sander M. Levy and Alok Singh (together, the “Managing Principals”), Joseph M. Tucci, the Chairman, and Tom Manley, a Senior Principal and Chief Administrative Officer (as well as Chief Compliance Officer and Chief Financial Officer). The Managing Principals, together with Messrs. Tucci and Manley, comprise Bridge Growth’s investment committee (the “Investment Committee”). All major investment decisions are made by the Investment Committee.

Bridge Growth serves as an investment manager and provides discretionary advisory services to several related collective investment vehicles, including private investment partnerships (the “Partnership” or collectively the “Partnerships”). Typically, within each partnership structure is a designated general partner (the “General Partner(s)”). Unless and only to the extent that the context otherwise requires, references to Bridge Growth include the General Partner(s).

Bridge Growth pursues investments in middle market companies in the technology and technology-enabled financial services industries. Bridge Growth focuses primarily on opportunities resulting from: (i) privately-held companies with impending generational shifts resulting in a need to change ownership or management structure, motivating a desire for a full or partial monetization; (ii) corporate divestitures of divisions or segments, resulting from a shift in strategy, organizational demands or other market developments that may lead to a traditional sale or a transaction involving a full or partial spin-off where Bridge Growth could play a facilitating role; (iii) corporate partners who need additional capital to execute their business growth strategy or take advantage of a particular strategic opportunity that has emerged, where Bridge Growth’s ability to provide capital as well as its access to management resources may be of value; (iv) private equity investments that may have run the course of their investment period, require additional resources to improve financial performance, or require capital or expertise to take advantage of a strategic acquisition opportunity; or (v) public company buyouts where there is clear benefit from being privately held in order to pursue important market or product development initiatives or significant business transformations.

In providing services to the Partnerships, Bridge Growth formulates each Partnership’s investment objectives, directs and manages the investment and reinvestment of each Partnership’s assets, and provides reports to investors. Investment advice is provided directly to the Partnerships and not individually to the limited partners or shareholders of the Partnerships (the “Investors”). Bridge Growth manages the assets of the Partnerships in accordance with the terms of each Partnership’s limited partnership agreement and other governing documents applicable to each Partnership (as amended and restated from time to time, the “Governing Documents”). All terms are generally established at the time of the formation of a Partnership, and are only terminable once the applicable Partnership is dissolved, wound up, and terminated. The Investors may not restrict investments by the Partnerships in any capacity, and except in limited circumstances, Investors are not permitted to withdraw from a Partnership prior to the Partnership’s dissolution.

Shares or limited partnership interests in the Partnerships are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Partnerships are not registered

under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Partnerships are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

As of November 30, 2016, Bridge Growth had approximately \$461.2 million in assets under management, all managed on a discretionary basis.

## **Item 5: Fees and Compensation**

### General

Bridge Growth typically receives compensation from fees based on a percentage of assets under management, carried interest allocations and certain other fees or expenses related to transactions (see below). Investors should review all fees charged by Bridge Growth and others to fully understand the total amount of fees to be paid by a Partnership and, indirectly, by its Investors.

### Management Fee

Bridge Growth receives an annual management fee from each Partnership that may differ from Partnership to Partnership but is generally 2.0% of aggregate commitments during a Partnership’s investment period or for a specific period of years. Management fees are payable quarterly in advance and are deducted from the account of each Partnership. After the investment period or a specific period of years, each Partnership generally pays a management fee based on funded commitments of each Partnership with respect to investments that have not been disposed of or written off.

In the event that an investment advisory agreement would be terminated, any pre-paid fees would be reimbursed to the Partnerships pro rata based on the portion of the quarter for which fees were paid but for which services were not rendered.

### Carried Interest Allocations

A portion of each Partnership’s net investment profit may be allocated to the capital account of its General Partner as “carried interest.” The manner of calculation of such carried interest is disclosed in the Partnerships’ Governing Documents. Generally, 20% of the investment profits of the Partnerships are allocated as carried interest to the General Partner with a preferred return of 8% per annum, subject to a catch-up and a clawback.

While Bridge Growth’s management fee and carried interest described above are generally not negotiable, Bridge Growth and its affiliates reserve the right to waive or reduce the management fee or carried interest for certain investors, including employees, a limited number of strategic partners, advisors and consultants and others as may be determined in Bridge Growth’s sole discretion.

### Other Fees

Bridge Growth or its affiliates may receive monitoring fees, directors' fees, transaction-related fees, break-up fees and other similar fees associated with investments or proposed investments or commitments made by the Partnerships. Such fees (net of any related unreimbursed expenses paid by Bridge Growth, the General Partner(s) or their respective affiliates, "Other Fees") will be 100% offset against future management fees payable by such Partnership only to the extent such Other Fees are allocable to the Partnership's investment (determined on a cost basis) in respect of such investment; provided that, "directors' fees" will not include options or other non-cash compensation awarded to employees of Bridge Growth for services rendered as members of boards of directors of portfolio companies where the award is in the ordinary course and the options or non-cash compensation cannot be transferred or conveyed directly to Bridge Growth under the applicable documents or agreements governing such option or other non-cash compensation. As a result, such options or other non-cash compensation will not be offset against future management fees payable by such Partnership. In addition, any fees or other compensation and expense reimbursements from portfolio companies received by, or in respect of, any members of the advisory boards (whether or not such member is an employee of the General Partner(s) or Bridge Growth) will not offset against future management fees payable by such Partnership, as described under Item 14, "Client Referrals and Other Compensation". The management fee may also be reduced by any placement fees paid by a Partnership.

In addition, Bridge Growth may enter into one or more agreements with a portfolio company (or its affiliate) of the Partnerships that provide that under certain circumstances, such as the sale of such portfolio company, Bridge Growth may be paid "accelerated" monitoring fees and/or directors' fees by the portfolio company for performing certain administrative and consulting functions (which may include acting as a shareholder representative) in connection with its sale. The amount of accelerated monitoring fees paid in connection with a sale would typically be capped at the amount of unpaid monitoring fees remaining in the current calendar or fiscal year. Any accelerated payment of monitoring fees and/or directors' fees would reduce the value of the portfolio company that bears such fees upon its sale. Under such agreements, Bridge Growth may also be paid transaction-related fees from such portfolio company, which may include acquisition, disposition and financing fees, which are one-time fees paid to Bridge Growth in connection with an investment, disposition or financing made by the Partnerships or such portfolio company. Any payment of such transaction-related fees would reduce the value of the portfolio company that bears such fees. In the event that Bridge Growth does receive accelerated monitoring fees, directors' fees and/or transaction-related fees, such fees would be 100% offset against future management fees payable by the Partnerships in the manner discussed above with respect to Other Fees.

Bridge Growth may have a conflict of interest to the extent that it has an opportunity to earn a fee from a portfolio company owned by the Partnerships. This conflict may be more pronounced in cases in which Bridge Growth is paid a fee which will not be fully offset against the Partnership's management fees, including in respect of investments in portfolio companies by third-party co-investors. However, Bridge Growth believes that the management fee offset provisions described above and the substantial equity commitment, including carried interest, by Bridge Growth and its affiliates and the other independent owners of the portfolio companies substantially mitigates this potential conflict.

## Expenses

In addition to management fees and carried interest, the Partnerships pay, and ultimately Investors bear, other types of fees and expenses as specified in the applicable limited partnership agreement. Typically, a Partnership will be responsible for all costs, expenses and liabilities in connection with its operations, including (other than the costs and expenses that will be the responsibility of Bridge Growth, which are typically salaries and benefits of our personnel and the cost of maintaining Bridge Growth's place of business):

(i) all routine administrative expenses of the Partnership incurred in the ordinary course, including the cost of the preparation of the annual audit, quarterly and annual reports, financial and tax returns and tax reports required for partners or the Partnership, cash management expenses, consulting expenses, routine legal and accounting expenses, and expenses relating to filings with the SEC (including, but not limited to, fees for legal or regulatory advice or submission costs, such as Forms PF, 13F, 13H, 13G/D, 3, 4 or 5) or other regulatory bodies, including in foreign or local jurisdictions,

(ii) all out-of-pocket costs and expenses, if any, incurred in holding portfolio investments of the Partnership ("Portfolio Investments"),

(iii) all out-of-pocket costs and expenses incurred in connection with developing, negotiating, structuring, acquiring and disposing of Portfolio Investments or potential Portfolio Investments, including, without limitation, any financing, legal, accounting, advisory and consulting expenses in connection therewith, (to the extent such costs and expenses are not reimbursed by portfolio companies or other third parties) and the out-of-pocket costs and expenses incurred in connection with obtaining third-party financing (such as commitment fees that are paid),

(iv) brokerage commissions, registration fees and expenses, custodial expenses and other investment costs actually incurred in connection with actual Portfolio Investments,

(v) interest on and fees and expenses arising out of all borrowings, including any credit facility, made by the Partnership, including, but not limited to, the arranging thereof,

(vi) the out-of-pocket costs of any litigation (including the amount of any judgment or settlement in connection therewith, excluding costs, judgments or settlements with respect to which an Indemnified Party is not entitled to indemnification hereunder), D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Partnership,

(vii) expenses of winding up the affairs of the Partnership,

(viii) any Partnership registration expenses and any taxes, fees or other governmental charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership,

(ix) the expenses of the LP Advisory Committee (including third party costs and expenses incurred thereby in connection with such committee retaining advisors to perform services contemplated by the Governing Documents of the Partnership) and annual or special meetings of the limited partners,

(x) fees and disbursements of attorneys, consultants, accountants, third party appraisers, fund administration service providers and valuation experts (to the extent third party appraisal services or valuation services are contemplated by the Governing Documents of the Partnership) and other professionals (including, without limitation, legal fees in connection with any legal opinions required to be delivered on behalf of the Partnership or the General Partner pursuant to the Governing Documents),

(xi) the amounts required to be paid to any person or entity indemnified by the Partnership in accordance with the Governing Documents of the Partnership,

(xii) expenses incurred in connection with meetings of the Partnership,

(xiii) all costs and expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the Governing Documents of the Partnership and all reasonable costs and expenses of, and/or incidental to, the preparation of amendments to the Governing Documents,

(xiv) all out-of-pocket costs and expenses of, and/or incidental to, the preparation and dispatch to the partners of all checks, reports, circulars, forms and notices and any other documents necessary or desirable in connection with the business and administration of the Partnership,

(xv) the costs of forming and maintaining each of the Partnership's alternative vehicles,

(xvi) all other out-of-pocket costs incurred in connection with the administration of the Partnership or otherwise that may be authorized by the Governing Documents of the Partnership or approved by a combined majority in interest of the limited partners or the LP Advisory Committee, and

(xvii) subject to any offsets to the management fee that may be applicable, any fees and expenses of a placement agent retained by the Partnership or the General Partner in connection with the marketing and sale of interests in the Partnership.

In addition, a Partnership bears legal and other organizational and fundraising expenses incurred in connection with its formation.

Investors should review all fees charged by Bridge Growth, its affiliates, and others to fully understand the total amount of fees to be paid by the Partnerships and, indirectly, their Investors.



## **Item 6: Performance Based Fees and Side-by-Side Management**

As described above, Bridge Growth or its affiliates receive performance-based compensation in the form of “carried interest”, which calculation is based on the profits generated on the sale or disposition of Partnership assets. The fact that a significant portion of Bridge Growth’s compensation is directly computed on the basis of profits generated by the sale or disposition of Partnership assets may create an incentive for Bridge Growth to make investments on behalf of the Partnerships that are riskier or more speculative than would be the case in the absence of such compensation.

## **Item 7: Types of Clients**

Bridge Growth provides discretionary management and advisory services to the Partnerships directly, subject to the direction and control of the General Partner of each Partnership, and not individually to the Investors. Investors in the Partnerships may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for an Investor is outlined in the respective Partnership’s Governing Documents; however, Bridge Growth maintains discretion to accept less than the minimum investment threshold. Investors will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act. Also, Investors will be required to make certain representations when investing in a Partnership, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deemed relevant to evaluate the merits and risks of the prospective investment and (iii) they have the ability to bear the economic risk of an investment in the Partnership. Details concerning applicable Investor suitability criteria are set forth in the respective Partnership’s Governing Documents which are furnished to each Investor.

The Partnerships may enter into separate agreements, commonly referred to as “side letters”, or other similar agreements with a particular Investor in connection with its admission to one of Bridge Growth’s private investment funds without the approval of any other Investor, which would have the effect of establishing rights under or supplementing the terms of the applicable Partnership’s limited partnership agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors.

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

### Investment Strategy and Methods of Analysis Generally

Bridge Growth’s objective is to generate significant long-term capital appreciation by making private equity investments generally in established middle market companies in the technology and technology-enabled financial services sectors. Bridge Growth seeks to deliver attractive returns to its investors by leveraging its experience, relationships and operational expertise through investing in and developing businesses with attractive growth and profit improvement

potential. Bridge Growth will focus its efforts on established growth companies that are consistent with the collective expertise of its investment professionals and advisory board members and where Bridge Growth believes their potential impact in driving returns for its investors can be the greatest.

Bridge Growth believes in taking a proactive approach to the origination and investment management processes. Bridge Growth seeks to identify investment opportunities that allow it to build and create shareholder value, based on insights gained through its ecosystem of long-standing relationships across the technology and technology-enabled financial services sectors. Once an investment is targeted, carefully selected and balanced teams utilizing Bridge Growth's full resources will be organized to evaluate the opportunity and make recommendations to Bridge Growth. After an investment is made, the target board will be comprised of members of the advisory boards, outside directors and senior professionals of Bridge Growth. Bridge Growth will actively manage investments through each stage of the business development plan and devise and execute exit strategies that maximize financial returns to its investors.

Once potential acquisition candidates have been identified, Bridge Growth focuses on the critical task of evaluating the most compelling opportunities. Bridge Growth conducts extensive internal and external due diligence in order to analyze and evaluate investment opportunities thoroughly, which will generally include:

1. an extensive review of the target business and its financials to ensure that the target fits Bridge Growth's investment parameters;
2. substantive meetings with management coupled with on-site tours of facilities, along with due diligence and assessment of key decision-makers of the target portfolio company;
3. extensive review of all aspects of the company's operations, financials, internal controls, legal matters, products, sales channels, etc. to ensure the quality and integrity of the target portfolio company;
4. industry calls and meetings with Bridge Growth's network of contacts in order to examine available industry data and to identify any technology that may play a key role in enhancing profitability, or that could be a potential threat to the target portfolio company;
5. reference calls with customers and industry analysts to ensure a validation of the target company's product and service capabilities and customer satisfaction with such products and services;
6. evaluation of potential issues and areas to improve operationally, including dedicating resources to areas needing improvement, with the assistance of knowledgeable investment professionals and managers outside of the target company;
7. an analysis of additional organic or strategic growth opportunities to transform the target company with the assistance of Bridge Growth's network of business relationships; and
8. development of rapid action plans and a strategic vision for the target business.

Once a transaction is recommended, the Investment Committee will evaluate the investment proposal in the context of Bridge Growth's philosophy of buying the right companies, which Bridge Growth believes is a key element for the long-term success of any private equity investment. The Investment Committee will proceed to close a transaction only when its members are comfortable that the rigorous due diligence review and evaluation have afforded Bridge Growth a well-informed, comprehensive view of: (i) a target company's fundamental product and market strengths and weaknesses; (ii) management's ability to perform; (iii) the long-term competitive viability of the business and industry; (iv) an investment's overall balance of potential risk and return; and (v) the fit of a particular investment in the context of the composition of the overall portfolio. All major investment decisions are made by the Investment Committee. Bridge Growth requires a well-developed and validated thesis before it underwrites an investment.

### Associated Risks

All investing involves a risk of loss and the investment strategy offered by Bridge Growth could lose money over short or even long periods. An investment in the Partnerships 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 bearing the risk of an investment in the Partnerships. No guarantee or representation is made that a Partnership will achieve its investment objective or that Investors will receive a return of their capital.

Identifying and participating in portfolio company investments and assisting in building successful enterprises is challenging. Many investment decisions made by Bridge Growth will be dependent upon the ability of its members to obtain relevant information predominantly from non-public sources, and reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of Bridge Growth.

Key risk areas inherent to investing in portfolio companies include operational, investment and market risks. Bridge Growth seeks to mitigate these risks through a variety of mechanisms, including operational due diligence, risk modeling, physical and financial hedging where possible and appropriate investment structuring.

The descriptions contained below are a brief overview of different market risks related to Bridge Growth's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Partnerships. The risks below are described more fully in the relevant Partnership's Governing Documents.

**Nature of Investment in General** – An investment in each Partnership requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to the Investors. Many if not all of the Partnerships' investments will be highly illiquid, and there can be no assurance that the Partnerships will be able to realize on such investments in a timely manner. The Partnerships' contemplated exit strategies for their investments can be adversely affected by numerous factors, many of which may be unforeseen or unexpected at the time the investments are made. Consequently, dispositions of the Partnerships'

investments may require a lengthy time period or may result in distributions in kind to the Investors. Additionally, the Partnerships typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain of the Partnerships' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Since the Partnerships may make only a limited number of investments, and since the Partnerships' investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Investors. The performance of other investments led by the senior investment professionals of Bridge Growth is not necessarily indicative of the results that will be achieved by the Partnerships. There can be no assurance that the targeted internal rate of return will be attained.

**General Economic Conditions** – General economic conditions may affect the Partnerships' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Partnerships or considered for prospective investment.

**Industry and Investment Concentration** – Since the Partnerships' investments are concentrated within a particular industry or related group of industries (the technology and technology-enabled financial services sectors), an investment in the Partnerships may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries.

**Limited Investment History** – Although Bridge Growth's team has prior experience, both together and separately, relating to the acquisition and financing of public and private companies and in investments similar to those to be made by the Partnerships, the Partnerships have recently commenced operations and, accordingly, have limited investment history upon which potential investors may evaluate their likely performance. There can be no assurance that the Partnerships will achieve their investment objective or avoid substantial losses. The Partnerships' investment program should be evaluated on the basis that there can be no assurance that it will be successful.

**Service Providers** – Certain service providers (or their affiliates), including administrators, lenders, brokers, attorneys, consultants and investment banking firms, that Bridge Growth may retain or seek to have retained on behalf of the Partnerships and their portfolio companies may also have relationships with, or have provided goods or services to Bridge Growth or to other organizations to which the senior investment professionals of Bridge Growth have been affiliated. Bridge Growth may choose to engage or seek to have engaged the same service providers to provide services to the Partnerships and their portfolio companies, Bridge Growth or its affiliates or with respect to the Partnerships' investments. In some cases, these service providers may provide services for one or more of these parties on terms that are more beneficial than those afforded to other of these parties. There can be no guarantee that the Partnerships or any of their portfolio companies (or with respect to the Partnerships' investments therein) will receive the most beneficial terms offered by any particular service provider. These services and relationships or more favorable terms offered by service providers may influence Bridge Growth in deciding

whether to select or recommend such a provider to perform services for the Partnerships or their portfolio companies or with respect to the Partnerships' investments.

**Co-Investments** – The General Partner may, but will be under no obligation to, offer co-investment opportunities to any persons, including Investors, strategic investors or other third parties, the terms of which will be determined by the General Partner but may include the opportunity to co-invest on a no-fee, no-carry basis. To the extent such co-investment opportunities are offered on a no-fee, no-carry basis, the portion of any Other Fees received by Bridge Growth that is allocable to third party co-investors may not be offset against the Partnerships' management fees. Due to allocation considerations, it is generally anticipated that co-investment opportunities will not be offered until the General Partner has determined, in good faith, that the appropriate portion of the applicable investment opportunity has first been taken by the Partnerships. Such co-investments will generally be limited to the capital invested in the applicable portfolio company and may not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, in each case not reimbursed by the portfolio company. As a general matter, such potential co-investors will not bear broken deal expenses and the significant majority of any such broken deal expenses relating to any such proposed transaction will typically be borne by the Partnerships. The General Partner and Bridge Growth or any of their affiliates may charge carried interest, management and other fees to any co-investors with respect to any co-investment, and may make an investment or otherwise participate, in any vehicle formed to structure a co-investment to facilitate receipt of such carried interest and fees.

As a general matter, the General Partner, in determining the allocation of discretionary co-investment opportunities, generally expects to take into account various facts and circumstances deemed relevant by the General Partner. Such factors are likely to include, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with Bridge Growth, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the Partnerships' investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the Partnerships), whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Bridge Growth, the Partnerships, or other co-investments, and such other factors that Bridge Growth deems relevant under the circumstances. Prospective investors should also note that Investors are not required to participate in co-investments offered by the General Partner.

**General Business and Management Risk** – Investments in portfolio companies subject the Partnerships to the general risks associated with the underlying businesses, including but not limited to market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. The success of the Partnerships' portfolio companies may depend on the development and marketing of new technologies that at any time may be rendered unattractive or obsolete by technological advances, new social trends and/or communication methods as seen in the recent emergence of social networking tools and platforms. With respect to management at the portfolio company level, many portfolio companies rely on the

services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance.

**Competitive Market for Investment Opportunities** – The activity of identifying, completing and realizing attractive private equity investments is competitive and involves a high degree of uncertainty. There can be no assurance that the Partnerships will be able to locate, complete and exit investments that satisfy each of the Partnership's rate of return objectives or realize upon their values or that the Partnerships will be able to invest fully their committed capital.

**Valuation of Portfolio Investments** – Restricted and privately-held portfolio investments, which may not have readily ascertainable market values, are valued by Bridge Growth at fair value, which is the estimated amount that would be received in a sale of the portfolio investment in an orderly transaction between market participants at the measurement date. Various valuation techniques and inputs are considered in valuing private portfolio investments, including purchase multiples paid in other comparable third-party transactions, comparable public company trading multiples, discounted cash flow analyses, market conditions, liquidity, current operating results, and other pertinent information. Consideration is also given to exchange rate fluctuations for investments denominated in foreign currencies. Although Bridge Growth estimates the fair value of each portfolio company at quarter-end using valuation techniques that Bridge Growth believes are in compliance with Accounting Standards Codification 820-10 (which fair value estimates will be audited by the Partnerships' auditors as part of the Partnerships' year-end audit), due to the inherent uncertainty of valuation estimates, Bridge Growth's determination of values may differ significantly from values that would have been realized had a ready market for the investments existed, and the differences could be material. The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein.

**Technology Sector** – The market for technology is characterized by periodic new product introductions, innovations and evolving industry standards. The emerging nature of these products and services with their rapid evolution will require technology companies that are portfolio investments of the Partnerships to continually improve the performance, features and reliability of their products or services, particularly in response to possible competitive offerings. There can be no assurance that these companies will be successful in achieving widespread acceptance of their products or services before competitors offer products and services with features and performance similar to those of such technology companies. In addition, the widespread adoption of new technologies or standards could require substantial expenditures by such technology companies to modify or adapt their products or services. Such expenditures could affect the profitability of these technology companies and in turn the operating results and financial condition of the Partnerships.

In addition, because the technology industry is driven by innovations that are oftentimes difficult to predict, the companies that the Partnerships may invest in may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete. While all companies may be susceptible to

network security breaches, certain technology companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Adverse economic conditions in the United States and other countries could have a material adverse effect on consumer and business spending in the information technology sector, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the portfolio companies in which the Partnerships invest. The information technology sector (including software, software-enabled services and Internet companies) could be adversely affected by overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation. There can be no assurance that any portfolio company will continue or improve its historical or expected levels and direction of growth, revenues or profitability even if general economic conditions in the United States and/or other countries improves or if economic conditions in the information technology sector improve.

**Technology-Enabled Financial Services Sector** – Companies in the technology-enabled financial services sector operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, license suspension or termination of deposit insurance. In addition, in order to comply with banking and insurance laws, rules and regulations, the Partnerships may be required to invest in a manner that may not be as advantageous as the manner of making investments that are not subject to such laws, rules and regulations.

Governmental and self-regulatory organizations, including the SEC, the Financial Regulatory Authority (“FINRA”) and national securities exchanges such as the New York Stock Exchange, impose and enforce regulations on companies in the technology-enabled financial services sector. U.S. self-regulatory organizations adopt rules, subject to approval by the SEC, that govern aspects of the financial services industry and conduct periodic examinations of the operations of registered broker-dealers and investment advisers. U.S. broker-dealers are subject to rules and regulations that cover all aspects of the securities business. Investment advisers are also subject to extensive rules and regulations.

Companies in the technology-enabled financial services sector have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad developments in business and finance, legislation and regulation affecting the state, national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. A change in any of these factors could adversely impact the value of financial instruments held by and the balance sheets of companies in the technology-enabled financial services sector.

The technology-enabled financial services industry is extremely competitive, and it is expected that competitive conditions in the industry will continue. Merger activity in the technology-

enabled financial services industry has resulted in, and may continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The technology-enabled financial services industry has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of e-commerce have made it possible for non-financial institutions to offer products and services that have been traditionally offered by technology-enabled financial services institutions. It is expected that cross-industry competition will continue to intensify.

The technology-enabled financial services industry is highly dependent on communications and information systems and is exposed to many types of operational risks including the risk of fraud by employees or other parties, recordkeeping errors, errors resulting from faulty computer or telecommunication systems, computer failures, and damage to computer and telecommunication systems caused by internal or external events.

## **Item 9: Disciplinary Information**

Neither Bridge Growth nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

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

Bridge Growth or the General Partner will be responsible for all decisions regarding portfolio transactions of the Partnerships and have full discretion over the management of the Partnerships' investment activities. While the General Partner is not separately registered as an investment adviser with the SEC, all of its investment advisory activities are subject to the Advisers Act as amended and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner are subject to the supervision and control of Bridge Growth.

### Portfolio Company Representation

Certain of Bridge Growth's employees may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Partnerships, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Bridge Growth and such individual's duties as a director or officer of such portfolio company.



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

### Code of Ethics

Bridge Growth has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Rule”).

The Rule requires Bridge Growth to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of Bridge Growth’s employees. Bridge Growth’s Code contains policies and procedures that ensure that all personal securities trading by Bridge Growth’s employees is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Bridge Growth’s restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household.

A copy of the code of ethics may be obtained by contacting Bridge Growth at the address or telephone number listed on the first page of this document.

### Participation or Interest in Client Transactions

Bridge Growth, its employees or a related entity will generally have an investment in the Partnerships. In addition, Bridge Growth and the General Partner will participate in the Partnerships’ investment program by agreeing to commit a certain percentage of the Partnerships’ total capital commitments or a certain amount as defined in the Partnerships’ Governing Documents. Therefore, Bridge Growth, its employees or a related entity participate in transactions effected for the Partnerships.

### Personal Trading

Bridge Growth prohibits personal trading on certain securities or instruments; requires pre-clearance before purchasing investments in an IPO or interests in private placements; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

### Principal and Agency Cross Transactions

Bridge Growth generally does not itself trade securities on a principal basis with the Partnerships. Certain related persons of Bridge Growth, however, could be principals (and in the future other funds may be deemed principals), based on SEC staff guidance, due to an investment in any such fund or related person by Bridge Growth and controlling persons exceeding 25% of that fund’s or related person’s assets. To the extent that Bridge Growth and/or its related persons (including the Partnerships) engage (or are deemed to engage) in principal securities transactions, any such transactions will comply with applicable law and Bridge Growth and/or its related persons may have interests in such transactions that are adverse to the Partnerships or other clients.

To the extent permitted by applicable law and the applicable Governing Documents, Bridge Growth may effect “cross transactions” with the Partnerships. Bridge Growth would recommend the Partnerships to enter into such transactions only if the transactions were consistent with the best interests of the Partnerships and at a price that Bridge Growth and/or its related persons believe constitutes best execution for the Partnerships. Neither Bridge Growth nor any related party receives any commission or commission equivalent in connection with these transactions.

## **Item 12: Brokerage Practices**

Bridge Growth focuses on making investments in private securities, and does not ordinarily deal with any financial intermediary such as a broker-dealer; therefore commissions are not ordinarily payable in connection with such investments. To the limited extent Bridge Growth transacts in public securities, or other non-private equity investments, Bridge Growth will seek to obtain best execution. Bridge Growth intends to select brokers based upon the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of the order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer; and (iv) the competitiveness of commission rates in comparison with other broker-dealers satisfying Bridge Growth’s other selection criteria.

Bridge Growth and/or the General Partner are generally authorized to make the following determinations, subject to each Partnership’s investment objectives and restrictions, without obtaining prior consent from the relevant Partnership or any of its Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

Bridge Growth does not receive any soft dollar benefits from broker-dealers.

## **Item 13: Review of Accounts**

All investments are carefully reviewed and approved by Bridge Growth’s Investment Committee. The portfolio companies are reviewed on a continuous basis and the investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Investors will be furnished audited financial statements on an annual basis and unaudited financial statements (prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”)) on a quarterly basis.

Investors will also be provided with descriptive investment information for each of the portfolio companies on a quarterly basis.

## Item 14: Client Referrals and Other Compensation

Bridge Growth may periodically engage third-party placement agents to introduce prospective investors to the Partnerships. The fees and expenses of any third-party placement agents will be paid by the Partnerships, but will be reimbursed by Bridge Growth by offsetting its management fee. Evercore Group L.L.C., a broker-dealer registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended, has been retained to act as a placement agent for the offer and sale of interests in the Partnerships to certain prospective investors. As a result, the Partnership may pay placement fees incurred in connection with the offering of interests in the Partnerships to certain prospective investors. 100% of any such placement fees will be offset against the Partnerships' management fees.

Bridge Growth or its affiliates (excluding any fees, other compensation and expense reimbursements received by advisory board members who serve as directors or provide direct services to portfolio companies at the request of the General Partner or Bridge Growth) may, from time to time, receive monitoring fees, directors' fees, transaction-related fees, break-up fees and other similar fees from portfolio companies in respect of the Partnerships' investments therein (such fees, net of any related unreimbursed expenses paid by Bridge Growth, the General Partner or their respective affiliates, "Other Fees"); provided, however, that 100% of such Other Fees (to the extent allocable to the Partnerships' investment on a cost basis in a portfolio company) will be credited against future management fees payable by such Partnership; provided further, that "directors' fees" will not include options or other non-cash compensation awarded to employees of Bridge Growth for services rendered as members of boards of directors of portfolio companies where the award is in the ordinary course and the options or non-cash compensation cannot be transferred or conveyed directly to Bridge Growth under the applicable documents or agreements governing such option or other non-cash compensation. As a result, such options or other non-cash compensation will not be offset against future management fees payable by such Partnership.

A key aspect of Bridge Growth's investing philosophy and operating strategy is to actively utilize the complementary capabilities of its advisory boards for the benefit of its portfolio companies and investors. Bridge Growth expects to work closely with the members of the advisory boards in order to utilize their experience, knowledge and relationships to the benefit of the Partnerships. Any fees or other compensation and expense reimbursements from portfolio companies received by, or in respect of, any members of the advisory boards who serve as directors or provide direct services to portfolio companies at the request of the General Partner or Bridge Growth (including any such member of the advisory boards that is also an employee of the General Partner or Bridge Growth) will not be considered as Other Fees, and as a result, will not be credited against future management fees. In addition, members of the advisory boards may receive consulting fees and reimbursements for related expenses from the Partnerships for assistance with specific diligence processes to which they have dedicated meaningful time.

## Item 15: Custody

All Partnership assets, other than uncertificated securities, are held in custody by unaffiliated broker-dealers or banks; however, Bridge Growth has access to client accounts since it or an affiliate serves as the general partner of each Partnership. Investors will not receive statements

from the custodian. Instead, the Partnerships are subject to an annual audit, and the audited financial statements are distributed to each Investor. The audited financial statements will be prepared in accordance with U.S. GAAP.

## **Item 16: Investment Discretion**

In accordance with the terms and conditions of the Governing Documents, and subject to the direction and control of the General Partner of each Partnership, Bridge Growth generally has discretionary authority to determine, without obtaining specific consent from the Partnerships or their Investors, the securities and the amounts to be bought or sold on behalf of the Partnerships, and to perform the day-to-day investment operations of the Partnerships.

## **Item 17: Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Bridge Growth has adopted and implemented written policies and procedures governing the voting of client securities.

The Partnerships are primarily invested in privately-held portfolio company investments which typically do not issue proxies. However, upon occasion, Bridge Growth will receive proxies in connection with its publicly traded portfolio companies, in which case it is Bridge Growth's policy to exercise the proxy vote in the best interest of its Partnerships, taking into consideration all relevant factors, including without limitation, acting in a manner that Bridge Growth believes will (i) maximize the economic benefits to the relevant Partnership and (ii) promote sound corporate governance by the issuer. On rare occasions, Bridge Growth may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

In determining the overall interests of the Partnerships and their Investors, consideration will be given to both short-term and long-term implications of the proposal to be voted on when considering the optimal vote. In voting proxies, Bridge Growth will seek to avoid material conflicts of interest between its interests, on the one hand, and the interests of the Partnerships and their Investors, on the other. If Bridge Growth detects a material conflict of interest in connection with a proxy solicitation, the Investment Committee will consider the vote under consideration, discuss the perceived conflict of interest, and decide on how to vote the proxy. Bridge Growth will record the decision and then vote the proxy accordingly.

Upon request, Bridge Growth will provide Investors in any of the Partnerships with information about how the proxies relevant to such Partnership and Investors are voted. Bridge Growth's complete proxy voting policy and procedures and proxy voting record are available to Investors upon request.

## **Item 18: Financial Information**

A balance sheet is not required to be provided as Bridge Growth (i) does not solicit fees six months or more in advance, (ii) does not have a financial condition that is reasonably likely to

impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.