

**Item 1 - Cover Page**

**Decathlon Capital Management II, LLC**

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**May 9, 2017 Brochure**

This brochure (the "Brochure") provides information about the qualifications and business practices of Decathlon Capital Management II, LLC ("Decathlon"). If you have any questions about the contents of this Brochure, please contact us at 435-200-1051 or [spencer@decathloncapital.com](mailto:spencer@decathloncapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Additional information about Decathlon also is available on the SEC's website at  
**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

## **Item 2 - Material Changes**

On July 28, 2010, the SEC published "Amendments to Form ADV" which amends the disclosure document that advisers provide to clients as required by SEC rules. This Item 2 will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure. We will further provide you with a new Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

The following are material changes that have been made to our Brochure since the last annual update on March 31, 2017:

- The description of the management fees and other expenses paid by each private investment vehicle managed by Decathlon has been updated.

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## **Item 4 - Advisory Business**

### General Information

Decathlon Capital Management II, LLC is a Delaware limited liability company with its principal place of business in Utah. Decathlon was organized in 2013.

### Decathlon Funds Investment Advisory Services

Decathlon provides investment advisory services to three private investment vehicles: (i) Decathlon Alpha, L.P.; (ii) Decathlon Alpha II, L.P.; and (iii) Decathlon Alpha III, L.P. (each, a "Fund" and collectively, the "Funds"). Each Fund is exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act"), and each Fund's securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). As the investment adviser of each Fund, Decathlon, along with each Fund's general partner (each, a "General Partner"), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Fund.

Decathlon seeks to provide equity-replacement funding to established, expansion-stage businesses that are owner-operated and closely held private businesses exhibiting positive revenue growth rates, recurring revenue streams and modest current debt obligations, among other characteristics. The Funds' investments are typically structured as high-yield secured debt obligations, often subordinated to the rights of a senior creditor, to enhance returns and to provide downside protection. Although the primary focus of each of the Funds is on revenue-based financing structures, Decathlon may from time to time recommend other types of investments consistent with the respective Fund's investment strategy and objectives, as set forth in its offering documents.

In carrying out and implementing the investment objectives and strategies of the Funds, Decathlon is authorized and empowered (i) to engage consultants, independent attorneys, independent accountants or such other persons as it may deem necessary or advisable; (ii) to receive, buy, sell, exchange, trade and otherwise deal in and with securities and other property of each Fund; (iii) to open, maintain and close bank accounts; (v) to enter into, make and perform such contracts, agreements and other undertakings, and to do such other acts, as it may deem necessary or advisable, or as may be incidental to or necessary for the conduct of the business of each Fund; (vii) to commence or defend litigation that pertains to each Fund; (viii) to file on behalf of each Fund all required local, state and federal tax returns and other documents relating to the Fund; and (ix) to oversee and carry out the investment, divestment and management of each Fund's portfolio investments.

Decathlon provides investment advisory services to each of the Funds pursuant to the terms of a separate investment advisory agreement or the Fund's limited partnership agreement (each, "Fund Agreement"). Investment advice is provided by Decathlon directly to the Funds, subject to the direction and control of the affiliated General Partner of such Fund and not individually to the investors in the Funds. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Fund and are set forth in the documentation received by each limited partner prior to investment in such Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which such Fund may invest. Currently there are no restrictions on the types of securities in which a Fund may invest.

### Type and Value of Assets Currently Managed

All of Decathlon's investment advisory services are provided on a discretionary basis. As of December 31, 2016, Decathlon managed \$160,830,000 in regulatory Fund assets under management.

### Principal Owners

Decathlon's principal owners are John Borchers and Wayne Cantwell (the "Principals").

*John Borchers.* John co-founded Decathlon and is one of two Managing Directors. Prior to Decathlon, John spent 15 years with Crescendo Ventures ("Crescendo"), where he was involved in the development of over 30 emerging growth businesses as an investor, director or advisor. At Crescendo, John focused on investments in the software and technology-enabled service markets and also played a leading role in developing Crescendo's international presence that included three years of work in Crescendo's London office. Prior to joining Crescendo, John worked in the data warehousing and predictive analytics fields. He held various operational roles including a two-year posting to Sydney, Australia, where he opened the first Asia-Pacific office for a U.S.-based data-warehousing firm. John was also the founding venture member of the Masterminds Forum, an invitation-only group of Chief Investment Officer and Vice President-Level Information Technology thought-leaders from Fortune 200 companies. John received his MBA from Harvard Business School and a Bachelor's degree from the University of Richmond.

*Wayne Cantwell.* Wayne co-founded Decathlon and is one of two Managing Directors. Prior to Decathlon, Wayne spent nine years with Crescendo, where he focused on investments in the semiconductor, enterprise infrastructure and consumer-device markets. Before Crescendo, Wayne spent 18 years in various operating roles in software and semiconductor companies. He served as President and Chief Executive Officer of Soisic SA, a French startup in the semiconductor intellectual property licensing business that was sold to ARM Holdings. Prior to Soisic SA, Wayne served as President and Chief Executive Officer of inSilicon Corporation, where he led the company through a very successful initial public offering and several acquisitions. Before assuming the role of Chief Executive Officer at inSilicon Corporation, Wayne was responsible for overseeing Phoenix Technologies' worldwide sales and field operations where he was responsible for sales and development teams in North America, Europe, and throughout Asia. Wayne has extensive international experience, having run operations in Japan, Taiwan, Korea, France and England. Prior to his role with Phoenix Technologies, Wayne held various sales and engineering positions with Intel Corporation and NEC Corporation. Wayne has been involved in over 20 early-stage companies in Board of Directors and Advisory Board roles during his 25-year career.

## **Item 5 - Fees and Compensation**

### Fees for Fund Investment Advisory Services

As compensation for investment advisory services rendered to the Funds, Decathlon receives from each Fund a management fee, as further described in each Fund's offering documents (the "Management Fee") and as described generally below. Management Fees may differ from one Fund to another, as well as among investors in the same Fund. The fee structures described below may be modified from time to time.

*Decathlon Alpha, L.P. ("Fund I").* The Management Fee is paid quarterly in arrears and is equal to the Total Committed Capital (as defined in Fund I's offering documents) multiplied by 0.625%. The Management Fee is deducted from amounts received by Fund I from "Permitted Investments" (as defined in Fund I's offering documents). Management Fees paid by Fund I are indirectly borne by the investors in Fund I. The Management Fee is generally subject to waiver or reduction by Fund I's General Partner in its sole discretion.

In addition, Fund I is responsible for all costs and expenses incurred in connection with its activities, except salaries, rent and travel; however, Fund I will not pay, or reimburse Fund I's General Partner for, organization and offering expenses in excess of \$100,000. Fund I will bear all costs and expenses related to the purchase, holding, sale or exchange of Permitted Investments (including filing, license, legal, audit, accounting, banking and consulting expenses and any placement fees, finder's fees, and real or personal property taxes), Fund I meetings, Fund I's advisory committee matters, indemnification obligations, liability and other insurance premiums, and any extraordinary expenses of Fund I, as well as all costs and expenses related to the liquidation of Fund I's assets upon termination of Fund I.

*Decathlon Alpha II, L.P. ("Fund II").* The Management Fee is paid quarterly in advance and is equal to 2.0% (the "Fee Rate") of the aggregate capital committed by all partners (not including the General Partner's capital commitment). For each successive twelve-month period following the end of the Commitment Period (as defined in Fund II's offering documents), (i) the Fee Rate will be equal to 1.0% for any period ending on or prior to the sixth anniversary of the end of the Commitment Period and (ii) the Fee Rate will be equal to 0% for any period commencing after the sixth anniversary of the end of the Commitment Period, except with respect to any extension year approved by Fund II's advisory committee, as provided in Fund II's offering documents. The Management Fee is deducted from the assets of Fund II. Management Fees paid by Fund II are indirectly borne by the investors in Fund II. Upon termination of Decathlon as the manager for Fund II, any paid but not yet earned Management Fees will be repaid to Fund II on a prorated basis. The Management Fee is generally subject to waiver or reduction by Fund II's General Partner in its sole discretion.

In addition, Fund II is responsible for its partnership expenses, which includes all costs and expenses relating to Fund II's activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including (i) all costs and expenses attributable to acquiring, holding, monitoring and disposing of Fund II's investments (including interest on money borrowed by Fund II, registration expenses and brokerage, finders', custodial, account clearing house, collection and other fees), (ii) third-party legal, accounting, auditing, consulting and other fees and expenses (including expenses for such third parties associated with negotiating, consummating, monitoring and disposing of Fund II's particular portfolio investments and the preparation of Fund II's financial statements, tax returns and Schedules K-1 and expenses for any person appointed by Fund II's General Partner to serve from time to time as an administrator of Fund II), (iii) expenses of Fund II's advisory committee and its members thereof, (iv) extraordinary expenses of Fund II (including, but not limited to, litigation and indemnification costs and expenses, judgments and settlements ), (v) all out-of-pocket fees and expenses relating to investment and disposition opportunities for Fund II whether consummated or not consummated (including legal, accounting, consulting, printing and other fees and real estate title and appraisal costs), and (vi) the Management Fee. All costs and expenses that are the common expense of Fund II and a parallel

fund shall be allocated among such entities based on the respective capital commitments of each entity.

Fund II is also responsible for its organization expenses, which includes all costs and expenses incurred by Fund II, Fund II's General Partner, Decathlon or their affiliates in connection with the organization and formation of Fund II and the offering and sale of limited partnership interests, including attorneys' fees, accountants' fees, data site creation and maintenance, printing and mailing costs, charges of agents and depositories, costs of filings for, registration and qualification of the limited partnership interests under applicable securities laws, reimbursements of reasonable out-of-pocket expenses associated with the formation of Fund II and the sale of limited partnership interests; *provided, however*, that it is acknowledged that Fund II will not pay any investment banking or private placement fees in connection with the offering. Any comparable costs and expenses of any feeder funds are paid by the feeder fund limited partners. Organizational expenses that are the common expense of Fund II and a parallel fund shall be allocated between such entities based on the respective capital commitments of each entity.

*Decathlon Alpha III, L.P. ("Fund III")*. The Management Fee is paid quarterly in advance and is equal to 2.0% (the "Fee Rate") of the greater of (i) the aggregate capital committed by all limited partners; and (ii) the sum of (x) the aggregate capital contributions of all limited partners as of the last day of the immediately preceding calendar quarter plus (y) the Reinvestment Amount (as defined in Fund III's offering documents) of Fund III as of the last day of the immediately preceding calendar quarter, subject to the terms of the Amended and Restated Management Agreement between Decathlon and Fund III. For each successive twelve-month period following the end of the Commitment Period (as defined in Fund III's offering documents), the Fee Rate will be equal to 1.5% of the greater of (i) the aggregate capital committed by all limited partners; and (ii) the sum of (x) the aggregate capital contributions of all limited partners as of the last day of the immediately preceding calendar quarter plus (y) the Reinvestment Amount of Fund III as of the last day of the immediately preceding calendar quarter. The Management Fee is deducted from the assets of Fund III. Management Fees paid by Fund III are indirectly borne by the investors in Fund III. Upon termination of Decathlon as the manager for Fund III, any paid but not yet earned Management Fees will be repaid to Fund III on a prorated basis. The Management Fee is generally subject to waiver or reduction by Fund III's General Partner in its sole discretion.

In addition, Fund III is responsible for its partnership expenses, which includes all costs and expenses relating to Fund III's activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including (i) all costs and expenses attributable to the due diligence, acquisition, holding, monitoring and disposition of Fund III's investments (including travel expenses incurred by Fund III's General Partner, Decathlon or the managing directors relating to performance of due-diligence, negotiation, closing and managing of Portfolio Financings and Related Securities, interest on money borrowed by Fund III, registration expenses and brokerage, finders', custodial, account clearing house, collection and other fees) as well as any costs incurred relating to serving as a director in any portfolio company, (ii) third-party legal, accounting, auditing, consulting and research fees and associated with negotiating, consummating, monitoring and disposing of Fund III's particular portfolio investments (iii) expenses of preparing annual or other reports to the partners, including, without limitation, third-party accounting, auditing, legal and consulting fees and costs associated with the preparation of Fund III's financial statements, tax returns and Schedules K-1 (including expenses for any person appointed by Fund III's General Partner to serve from time to time as an administrator of Fund III), (iv) expenses of Fund III's advisory committee and its members thereof, (v) extraordinary expenses of Fund III (including, but

not limited to, valuation expenses, litigation and indemnification costs and expenses, judgments and settlements ), (vi) all out-of-pocket fees and expenses relating to investment and disposition opportunities for Fund III whether consummated or not consummated (including legal, accounting, consulting, printing and other fees and real estate title and appraisal costs), (vii) any taxes, fees, or other governmental charges levied against Fund III; and (viii) the Management Fee. All costs and expenses that are the common expense of Fund III and a parallel fund shall be allocated among such entities based on the respective capital commitments of each entity.

Fund III is also responsible for its organization expenses, which includes all costs and expenses incurred by Fund III, Fund III's General Partner, Decathlon or its affiliates in connection with the organization and formation of Fund III and the offering and sale of limited partnership interests, including attorneys' fees, accountants' fees, data site creation and maintenance, printing and mailing costs, charges of agents and depositories, costs of filings for, registration and qualification of the limited partnership interests under applicable securities laws, reimbursements of reasonable out-of-pocket expenses associated with the formation of Fund III and the sale of limited partnership interests; *provided, however*, that it is acknowledged that Fund III will not pay any investment banking or private placement fees in connection with the offering. Organizational expenses that are the common expense of Fund III and a parallel fund shall be allocated between such entities based on the respective capital commitments of each entity.

Notwithstanding the foregoing, Decathlon or a General Partner may negotiate or set a Management Fee different from the foregoing with respect to any Fund. Additionally, please see ***Item 6 - Performance-Based Fees and Side-By-Side Management*** below for information regarding "carried interest" that the Funds may pay.

Although Decathlon does not generally utilize the services of broker-dealers for transaction-related services, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see ***Item 12 - Brokerage Practices*** below.

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

While Decathlon does not receive a performance based fee, a portion of each Fund's net investment profit is allocated to the capital account of its General Partner as "carried interest." Each General Partner of a Fund is a related person of Decathlon. Carried interest may differ from one Fund to another, as well as among investors in the same Fund.

While the Funds have long-term investment strategies, potential investors should note that the payment by the Funds of carried interest may nonetheless provide an incentive for Decathlon to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement. Generally, and except as may be otherwise set forth in the partnership agreements of the Funds, this conflict is mitigated by (i) certain limitations on the ability of Decathlon to establish successor funds, (ii) set procedures contained in the allocation provisions set forth in the limited partnership agreements of the Funds; and (iii) provisions and procedures set forth in Decathlon's Code of Ethics ("the Code") requiring Decathlon to act in accordance with principles of honesty, good faith and fair dealing.

Please see ***Item 10 - Other Financial Industry Activities and Affiliations*** below for additional information relating to how conflicts of interests are generally addressed by Decathlon.



## **Item 7 - Types of Clients**

Decathlon currently provides investment advisory services solely to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of such Fund, and not individually to the limited partners of such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Permitted investors in the Funds may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations and other business entities.

The minimum investment requirement for a Fund offered by Decathlon varies from Fund to Fund, but typically begins at \$250,000. However, the General Partner of each Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable Fund's offering documents. In addition, legal eligibility requirements must be met to invest in a Fund.

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

### Methods of Analysis and Investment Strategies

Decathlon currently manages three Funds with substantially similar investment strategies.

The Funds seek to create portfolios of high yield, secured revenue-based loans ("Revenue Based Financings"), which are made to established, expansion-stage private companies. Specifically, each Fund will target companies with the following characteristics, although the General Partner of the Fund may make investments in companies with few or none of these characteristics, in its discretion:

- \$2 million to \$50 million in annual revenue;
- Positive historical and projected revenue growth rates;
- Recurring revenue streams;
- Attractive gross margin profile;
- EBITDA positive operations;
- Owner-operated and closely-held private businesses;
- Organically financed businesses; and
- Modest current debt obligations.

The Funds' investments are typically structured as high-yield secured debt obligations, often subordinated to the rights of a senior creditor, to enhance returns and to provide downside protection. The following features generally characterize each Fund's revenue-based financing structure:

- Debt financing structure with monthly payments ranging from 0.25% to 5.0% of borrowers' monthly gross revenue;
- Internal rate of return ("IRR") targeted instrument that recalibrates the aggregate cash-on-cash payments required to satisfy the contracted IRR on a monthly basis depending on payments received;
- Typically, secured, subordinated creditor position;

- Minimum interest payment requirement range of 0.5x to 1.5x invested capital;
- Exit-less return model that generates liquidity without a change in control; and
- Selective use of gross proceed warrants that could potentially generate long-term capital gain if and when any of the Fund's portfolio companies experience a liquidity event.

The Funds expect that the loans will be repaid through payments of a percentage of company revenues, typically until a stated multiple and/or internal rate of return of the advanced principal is repaid. The exact terms of each Revenue Based Financing may vary, as described more fully in each Fund's offering documents. Although the primary focus of each of the Funds is on revenue-based financing structures, Decathlon may from time to time recommend other types of investments consistent with the respective Fund's investment strategy and objectives, as set forth in its offering documents.

The Funds' strategies involve significant risks, including the risk that each Fund (and, in turn, the underlying investors in such Funds), could lose some or all of any invested capital. An investment in a Fund will provide limited liquidity because there are significant restrictions on transferability of each Fund's interests and withdrawals from each Fund.

#### Risk of Loss

While Decathlon seeks to diversify each Fund's investment portfolio by investing in multiple companies, all investment portfolios are subject to risks. Accordingly, there can be no assurance that a Fund will be able to fully meet its investment objectives and goals, or that investments will not lose money. Below is a description of several of the principal risks that each Fund may face.

*No Withdrawal and Illiquid Assets.* Each Fund invests primarily in revenue-based debt instruments for which there is no active market. While it is anticipated that these instruments will typically be repaid over terms of between approximately 3.5 to 5 years, each Fund will have little or no ability to sell or otherwise obtain liquidity on these assets prior to repayment. As a result, the assets available to make distributions to Fund investors at any given time may be very limited.

*No Guarantee of Investment Performance.* The General Partner of each Fund cannot guarantee that the relevant Fund will achieve its stated investment objective or achieve positive or competitive investment returns. Unanticipated market conditions, political developments, regulatory and other factors, many of which cannot be anticipated or controlled by the General Partner, could result in the Fund not generating positive or competitive after-tax returns or in a loss of investment in the Fund.

*Investment Strategy Risk.* In order to execute on each Fund's investment strategy, the General Partner is and will be required to, among other things, identify attractive revenue-based debt financing opportunities, execute on the loan transactions and receive repayment on the loans. There can be no assurance that the General Partner will be successful at any or all of such activities. If the General Partner is not successful at such activities, the Fund's ability to achieve its investment objectives would be harmed and the Fund investors may lose all or a portion of their investment.

*Concentration of Investments and Size of Fund.* Each Fund invests in Revenue Based Financing opportunities that, by their nature, do not offer the diversification available from other investment opportunities.

*Reinvestment of Proceeds.* The General Partner of each Fund is under limited obligations to make distributions to the limited partners of the Fund and will have broad discretion to reinvest proceeds from the sale of portfolio securities up to 135% of the Fund's aggregate capital commitments. Such discretion may increase the risk inherent in an investment in a Fund.

*Bankruptcy.* In addition to the many risks inherent in a bankruptcy process, including the duration, administrative costs and impact of a bankruptcy case on a company's value, each Fund's investments will be subject to a number of significant risks including but not limited to the following: First, in a bankruptcy proceeding, in certain instances, the Fund as the holder of subordinated debt, may have waived or compromised its entitlement to be heard or assert its positions or views regarding various issues that might arise in a bankruptcy case. Second, the automatic stay imposed by a bankruptcy filing may frustrate or delay the ability of the Fund to realize on its collateral. Third, if the collateral value of the Fund's secured claims falls below the amount of such claim, it may be deemed an unsecured claim to the extent of such deficiency, and the Fund would then be at risk of being classified as an unsecured creditor. In addition, the Fund's revenue loan could be challenged as more properly classified as an equity interest and therefore subordinated to all secured and unsecured creditors' claims. Fourth, as the holder of a subordinated lien position, the Fund may have its claim eliminated by a bankruptcy court finding that the value of the bankruptcy estate is less than the amount of secured claims holding priority positions.

*Lender Liability Considerations and Equitable Subordination.* In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively, "lender liability"). Generally, lender liability is founded upon the premise that a lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of each Fund's investments, each Fund could be subject to allegations of lender liability.

*Subordinated Debt.* Each Fund's revenue loans generally will be secured by a significant portion of or all of a borrower's assets, but each Fund's lien may be subordinated to those of some or all of the borrower's other lenders, which may include, among others, banks, receivables financing firms and lessors. As a condition to obtaining consent from a borrower's senior lenders to make a revenue loan, each Fund typically will be required to enter into a subordination agreement with such senior lender that will place substantial restrictions and limitations on the Fund's right to demand payment, foreclose on the collateral or seek other remedies.

*Limited Risk Mitigation Provisions.* Each Fund's loan documents typically do not include many of the control and risk mitigation provisions in traditional loan documents, including, without limitation, personal guarantees, fixed payment commitments, and financial covenants. By eliminating these provisions, each Fund provides borrowers with more flexibility but increases the risk of default and the Fund's ability to mitigate risk once the borrower is in or near default. The General Partner of each Fund believes that this increase in risk is outweighed by the higher return on capital borrowers are willing to pay for the additional flexibility, but there can be no assurance that the higher risk will be outweighed by the additional return.

Please see each Fund's offering documents for information about the specific risks associated with an investment in that Fund.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Decathlon or the integrity of Decathlon's management. Decathlon has no disciplinary events to report.

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

Various limited liability companies serve as General Partners of the Funds, and the Principals of Decathlon are also the principals of the General Partner of each Fund.

### **Conflicts of Interest**

The discussion below reflects both historical and current practices of Decathlon and the Funds and practices vary among the Funds. Please refer to the limited partnership of the applicable Fund for details regarding the practices of such Fund.

*Carried Interest.* The structure and payment of the carried interest by each Fund to its respective General Partner may involve a conflict of interest because it may create an incentive for such General Partner to cause the Fund to make riskier or more speculative investments than it otherwise would.

*Other Business Relationships.* Decathlon and its affiliates, including the General Partners of the Funds, engage in a broad range of activities, including investment activities for their own account (such as co-investment vehicles) and for the account of other investment funds or accounts and providing advisory, management and other services to other funds. The funds and accounts advised or managed by Decathlon other than the Funds are referred to as the "Related Funds." The Related Funds may have investment objectives similar to those of the Funds. In the ordinary course of conducting its activities, the interests of a Fund or its limited partners will, on occasion, conflict with the interests of Decathlon or its affiliates or one or more other Related Funds. Specifically, a General Partner's time, effort, and resources will not be devoted exclusively to the business of the applicable Fund but must be allocated between that business and the Related Funds.

The General Partner will devote as much of its time and resources to the activities of the applicable Fund as it deems necessary and appropriate. A Fund's limited partnership agreement generally does not restrict the applicable General Partner or its principals from entering into other relationships or engaging in other business activities, even though those activities may be in competition with the Fund and/or may involve substantial amounts of their time and resources.

Additionally, Decathlon may establish certain investment vehicles through which certain personnel of Decathlon or its affiliates, or other persons may invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as "co-investment vehicles," generally are created to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in such investment opportunity. Such co-investment vehicles generally do not pay management fees or carried interest. Conflicts may arise to the extent Decathlon and its affiliates manage these co-investment vehicles, the interests of which conflict with those of the Funds.

*Transaction Execution.* Conflicts of interest could also arise in connection with transactions for the accounts of the Funds and Related Funds. These transactions could differ in substance, timing, and

amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to the Funds or Related Funds, or to limitations on the availability of particular investment or transactional opportunities. Further, neither the General Partner of a Fund nor any of their affiliates have any obligation to provide such Fund with any particular investment opportunity or to take advantage of an investment opportunity that could be beneficial to the Fund.

*Successor Funds.* The General Partner of each Fund contemplates organizing and managing successor investment funds with investment objectives comparable to the Fund; subject to applicable restrictions set forth in the underlying partnership agreements of the Fund and successor entities. The existence of multiple investment partnerships with comparable objectives can create conflicts for allocating investment opportunities as they arise to the General Partner and its principals. The General Partner will be afforded discretion in making allocations of opportunities among various eligible investment funds (including the applicable Fund) taking into account various factors that it determines appropriate.

*Brokerage Commissions.* Although Decathlon does not normally utilize the services of broker-dealers for transaction related services, in the event Decathlon chooses to use a broker-dealer in connection with a Fund, Decathlon may pay brokerage commissions to brokers that the General Partner of the Fund may be affiliated with or to processors that may be affiliated with members of the General Partner.

#### Resolution of Conflicts

Decathlon will deal with all conflicts of interest using its best judgment, but in its sole discretion. In resolving conflicts, Decathlon will generally consider various factors, including the interests of the Funds and the other Related Funds. In the case of all conflicts involving the Funds, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of Decathlon, except as required by the governing documents of the Funds.

*Mitigating Factors.* The following factors may alleviate, but will not eliminate, conflicts of interest among a Fund and other Related Funds, co-investment vehicles and successor funds:

- A Fund will not make any investment unless the General Partner of such Fund believes that such investment is an appropriate investment considered solely from the viewpoint of the Fund;
- Many important conflicts of interest will generally be resolved by set procedures contained in the allocation provisions set forth in the limited partnership agreements of the Funds;
- The advisory committee of a Fund and each other Related Fund, co-investment vehicle or successor fund, to the extent applicable, whose members are not affiliated with the General Partners of such Fund, play an important role in resolving conflicts of interest by approving or disapproving the appropriateness of decisions that involve significant conflicts of interest referred to it by the appropriate Fund's General Partner; and
- Decathlon's Code sets forth provisions and procedures requiring Decathlon to act in accordance with principles of honesty, good faith and fair dealing.

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

### **Code of Ethics and Personal Trading**

Decathlon has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. Decathlon’s Code has several goals. First, the Code is designed to assist Decathlon in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, as amended, Decathlon owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Decathlon’s managers, officers and employees (collectively, “Associated Persons”) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits Associated Persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards (“Professional Standards”) for Decathlon’s Associated Persons. Under the Code’s Professional Standards, Decathlon expects its Associated Persons to put the interests of its clients first, ahead of personal interests. In this regard, Decathlon’s Associated Persons are not to take inappropriate advantage of their positions in relation to Decathlon clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of Associated Persons, as summarized below:

### **Personal Trading**

From time to time, Associated Persons may invest in the same securities Decathlon recommends to clients. Under the Code, Decathlon has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. Associated Persons are generally required to submit information about their personal trading activities to Decathlon’s CCO or the CCO’s designee for review. In addition, Associated Persons are generally required to notify the CCO or the CCO’s designee and obtain advance approval of certain personal trades in securities that may be traded by Decathlon for client accounts or otherwise affected by investments made on behalf of clients. Violations of the Code may result in disciplinary action up to and including dismissal.

### **Participation or Interest in Client Transactions**

Under the Code, Associated Persons are prohibited from trading in securities on the basis of material, non-public information or communicating material, non-public information about the issuer of any security to any other person.

## **Item 12 - Brokerage Practices**

As the Funds primarily make Revenue Based Financing investments, Decathlon anticipates that investments in publicly traded securities will be infrequent occurrences (*e.g.*, money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). As a result, Decathlon does not normally utilize the services of broker-dealers for transaction related services. In the event Decathlon chooses to use a broker-dealer for a securities transaction, Decathlon has, subject to the direction of such Fund’s General Partner, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect

transactions. The General Partner of each Fund may pay brokerage commissions to brokers that the General Partner may be affiliated with or to processors that may be affiliated with members of the General Partner. In placing each transaction for a Fund involving a broker-dealer, Decathlon will seek to obtain best execution of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, Decathlon takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

#### Directed Brokerage

Decathlon does not allow directed brokerage accounts. To the extent consistent with its duty to seek best execution, Decathlon may trade with the broker who has custody of the applicable assets.

#### Aggregation of Trades

The Funds normally do not actively trade in securities. However, Decathlon may aggregate a Fund's securities trades with those of another Fund to the extent consistent with receiving best execution. Generally, Funds participating in an aggregated order will receive an average price of all trades placed that trading day and pay their ratable share of brokerage costs. In some cases, Decathlon may be excluded from aggregated block trades due to legal, regulatory or other concerns.

#### Soft Dollar Transactions

Decathlon does not generate or use soft dollars, which are credits generated by transactions placed with certain securities broker-dealers that may be used to "purchase" certain research and brokerage products from such securities broker-dealers.

### **Item 13 - Review of Accounts**

#### Oversight and Monitoring

The portfolio investments of the Funds are generally private, illiquid and long-term in nature, and accordingly, Decathlon's review of them is not directed toward a short-term decision to dispose of securities. However, the portfolio investments of each Fund are continuously reviewed by the General Partner of the Fund, who closely monitors the portfolio companies of the Fund and generally maintains an ongoing oversight position in such portfolio companies. These reviews will focus on appropriateness of the Fund's investments for the Fund's portfolio and the performance of the Fund.

## Reporting

Investors in the Funds generally receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of the Fund. In addition, investors in each Fund will typically receive unaudited summary financial information regarding the Fund within 60 days of the end of each financial quarter. Investors in the Funds also receive regular reporting on each portfolio company of each relevant Fund as well as regular Fund updates through letters, investor meetings and other materials provided on the investor website. Decathlon and the applicable General Partner may, from time to time, in their sole discretion, provide additional information upon request relating to such Fund to one or more investors in such Fund as they deem appropriate.

### **Item 14 - Client Referrals and Other Compensation**

Decathlon may compensate certain third-parties who refer investors to the Funds advised by Decathlon. In addition, Decathlon may utilize services for investment banking or private placement services in connection with raising the capital of each Fund. To the extent fees are paid in connection with these services, they will only be paid by the General Partner of the Fund or by investors who invest in the applicable Fund through such services.

### **Item 15 - Custody**

Decathlon (through the General Partners) is deemed to have custody of certain assets of the Funds. Each Fund currently is audited annually by an independent public accountant, and the annual audited financial statements of each Fund are sent to the Fund's investors.

### **Item 16 - Investment Discretion**

Decathlon provides investment advisory services to each of the Funds pursuant to the Fund Agreements. Decathlon has discretionary authority to determine the investments to be bought or sold and the amounts to invest for the Funds. Investment advice is provided by Decathlon directly to the Funds, subject to the direction and control of the affiliated General Partner of such Fund and not individually to the investors in the Funds. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Fund and are set forth in the documentation received by each limited partner prior to investment in such Fund.

### **Item 17 - Voting Client Securities**

The Funds are not able to direct the vote of their General Partner. The General Partners intend to vote proxies or similar corporate actions in the best interests of the applicable Fund, taking into account such factors as it deems relevant in its sole discretion.

Decathlon's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

Decathlon maintains a detailed Proxy Voting Policy and a record of how Decathlon has voted proxies, each of which is available to clients upon request.



### **Item 18 - Financial Information**

Decathlon does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, but Decathlon (through the General Partners) is deemed to have custody of certain assets of the Funds. Decathlon has no financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

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

Decathlon has no disclosure with respect to this item.