

Breakaway Capital Management Holdings, LLC

Breakaway Capital Management, LLC

**FORM ADV PART 2A
FIRM BROCHURE**

March 29, 2018

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This Brochure provides information about the qualifications and business practices of Breakaway Capital Management Holdings, LLC (“BCM^H”) and Breakaway Capital Management, LLC (“BCM”) (collectively “Breakaway”, “we”, “us”, or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (310) 437-7711. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

We may refer to ourselves as “registered investment advisers.” Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about us also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

Breakaway filed the last annual update to the Brochure on March 27, 2017. Breakaway continues to conduct its business activities and provide investment advisory services in substantially the same manner as described in the last update to the Brochure. The foregoing is only a list of changes since the last update that are and may be considered material. It does not identify every change to the Brochure since the last update. As such, we encourage you to read this Brochure in its entirety. In addition, there have been minor word enhancements and clarifications throughout the brochure.

The following material changes have been made to this Brochure:

- Items 4 and 10 were revised to provide additional information regarding the ownership structure of Breakaway.
- Additional language was added to Item 12 regarding the aggregation of purchases or sales on behalf of multiple accounts.

ITEM 3

TABLE OF CONTENTS

ITEM 1 - Cover Page.....	1
ITEM 2 – Material Changes.....	2
ITEM 3 - Table of contents.....	3
ITEM 4 - Advisory Business.....	5
ITEM 5 - Fees and Compensation.....	7
ITEM 6 - Performance-Based Fees	10
ITEM 7 - Types of Clients	11
ITEM 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	12
ITEM 9 - Disciplinary Information.....	199
ITEM 10 - Other Financial Industry Activities and Affiliations	20
ITEM 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	221
ITEM 12 - Brokerage Practices	23
ITEM 13 - Review of Accounts.....	24
ITEM 14 - Client Referrals and Other Compensation	25
ITEM 15 - Custody.....	266
ITEM 16 - Investment Discretion	277
ITEM 17 - Voting Client Securities	288
ITEM 18 - Financial Information.....	299

Breakaway may provide this Brochure to current or prospective investors in a private investment fund advised by Breakaway (a “Fund” or collectively, the “Funds”), together with a Fund’s private placement memorandum, organizational documents and other related documents (collectively, the “Fund Documents”), prior to, or in connection with, an investor’s consideration or execution of an investment in a Fund. Breakaway, in its discretion, may subsequently provide the Brochure annually, or at the request of an investor in a Fund. Investors and other recipients should be aware that while this Brochure may include information about a Fund, it is not a complete discussion of the features, risks or conflicts associated with the Fund. Each Fund’s Fund Documents contain more complete information about the Fund, and the Fund Documents may be provided to current and eligible prospective investors only by Breakaway or other authorized parties.

This Brochure is not and should not be deemed to be a general solicitation and does not constitute an offer to sell or a solicitation of an offer to buy any type of interest in any entity advised by Breakaway. This Brochure does not constitute, in any jurisdiction, a recommendation, inducement, invitation, offer, or solicitation for you to purchase or acquire any securities or assets, and no legal relationship is created by this Brochure.

This Brochure is not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about Breakaway for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940 (“Advisers Act”) and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in Fund Documents. To the extent that there is any conflict between discussions herein and similar or related discussions in any Fund Documents, the Fund Documents shall govern.

No offer or solicitation in the Fund(s) advised by Breakaway will be made before the delivery of the Fund Documents. Potential investors should read carefully a Fund’s informational documents and legal agreements, and should consult with their tax, legal and financial advisors before making a decision with respect to an investment managed by Breakaway.

Advisory Business

Form ADV Part 2A, Item 4

Breakaway Capital Management Holdings, LLC ("BCM^H"), was organized in December 2015 as a Delaware limited liability company. Through its relying adviser, Breakaway Capital Management, LLC ("BCM"), and its general partners, Breakaway Capital Partners, LLC ("BC^{PLLC}") and Breakaway Capital Partners II, LLC ("BC^{PIILLC}") (collectively referred to hereinafter as "Breakaway"), Breakaway provides both discretionary and non-discretionary advisory and asset management services to the funds and separate accounts it manages. Warren Woo is the principal owner of BCM^H, which in turn is the principal owner of BCM.

BCM offers investment advisory services primarily to private pooled investment vehicles while BCM^H provides investment advisory services primarily to separately managed accounts. The pooled investment vehicles to which BCM provides advisory services are referred to herein as the "Fund" or collectively, the "Funds." The Funds are typically structured as U.S. limited partnerships and other investment vehicles that are not registered or required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), or the Securities Act of 1933, as amended (the "Securities Act"). In addition, Breakaway may, from time to time, sponsor and manage investment vehicles on a transaction-by-transaction basis to allow certain persons to invest alongside one or more Funds in specific portfolio companies and other assets of the Funds (each such vehicle, a "Co-Investment Fund"). Co-Investment Funds are typically limited to investing in securities relating to the transaction or transactions with respect to which they were organized. As a general matter, co-investments by Co-Investment Funds may be on terms and conditions more favorable than the terms and conditions of the investment by the applicable Fund.

Persons and entities that invest in the Funds may be referred to in this brochure as "investors" or "limited partners." Breakaway provides investment advice and other services to institutional investors, family offices and high net worth individuals directly through the Funds and separately managed accounts (the Funds and separately managed accounts are collectively referred to herein as the "Clients"). Our investment advice to our Clients focuses on (i) alternative asset investments including without limitation private equity, private debt, growth capital, venture capital, real estate, and preferred equity in private and public companies; and (ii) investment and debt management activities in the form of senior debt, loans, subordinated and mezzanine debt financing, real estate financing, unitranche structures, structured equity and common equity to companies for leveraged buyouts, acquisitions, recapitalizations, restructurings and growth capital for both sponsored and non-sponsored transactions. Investments of a Fund may be subject to certain diversification and/or geographic limitations as set forth in the investment management agreement and Fund Documents with each respective Fund. Further, Breakaway may enter into side letters with certain investors of a Fund which impose further restrictions on investing in certain types of securities, countries, geographies or businesses with respect to such investor.

Breakaway manages assets for and markets primarily to "qualified purchasers" (as defined in the Investment Company Act of 1940 ("Investment Company Act")) and "accredited investors" (as defined in Regulation D under the Securities Act of 1933 ("Securities Act")).

Investment guidelines and constraints for each Fund managed by Breakaway are based upon the investment objectives and limitations of those Funds as stated in their Fund Documents. Breakaway does not tailor its investment management to the individualized needs of any Fund investor.

Separately managed accounts may be reasonably tailored to a Client's needs. BCM^H and the Client will work to determine appropriate investment objectives, policies and restrictions, including restrictions on investing in certain securities or types of securities, for each managed account. The terms negotiated between the Client and BCM^H (with respect to this and other terms including Management Fees (as defined below)) will typically be memorialized in the form of a term sheet, investment management contract or written investment advisory agreement (each, an "Investment Management Agreement").

Certain Clients may enter into arrangements with BCMH whereby BCMH provides investment advice or portfolio advice to the Client but BCMH does not exercise investment discretion. BCMH's fee in such non-discretionary arrangements will likely be different than its fee for providing investment advisory services where it has full discretion.

As of December 31, 2017, BCM managed \$118,400,000 of Client assets on a discretionary basis and BCMH managed \$122,600,000 on a non-discretionary basis.

Breakaway does not currently participate as manager in any wrap fee programs.

Fees and Compensation

Form ADV Part 2A, Item 5

General

BCM (including any of its GPs) generally receives management fees ("Management Fees") and may also receive performance allocations in the form of carried interest (see Item 6 below) in connection with the investment management and administrative services it provides to the Funds and Co-Investment Funds. Co-Investment Funds and other investment vehicles may not be subject to the fees, expenses and/or carried interest allocations described herein.

Management fees, carried interest allocations and other compensation payable to the Firm (including its GPs) by the Funds or Co-Investment Funds together with other terms governing the management of the Funds or Co-Investment Funds by the Firm, are established by BCM at the time of the establishment of the relevant Funds or Co-Investment Funds (and negotiated with participating investors prior to their investment), as applicable. Specific details of such compensation and its method of calculation are set out in the offering materials, disclosure documents, management agreements and/or governing documents of the relevant Funds or Co-Investment Funds, and vary as between the Funds and Co-Investment Funds. Fee terms for the Funds or Co-Investment Funds may be changed during the term of the relevant relationship. The share of compensation earned by BCM or its affiliates in respect of a Fund or Co-Investment Fund varies among investors pursuant to the terms of the governing documents, side letter agreements or other arrangements with specific investors in such Fund or Co-Investment Fund, whereby such investors receive direct or indirect reductions of management fees or other compensation otherwise payable with respect to their investments managed by the Firm. Such arrangements may include Breakaway granting certain preferential terms to certain investors in a Fund or Co-Investment Fund. Where a strategic investor participates in a Fund or Co-Investment Fund through a dedicated investment vehicle as part of such arrangement, such vehicle may be granted terms, including management fees or carried interest, that are more favorable than those applicable to other investors.

Fees

We are typically compensated for our services through the payment of base management fees that are expressed as a percentage of the total capital committed to a Fund for the investment period as well as a percentage of the unreturned capital contributions to the Fund thereafter ("Management Fees"). In some situations we are also entitled to performance allocations or incentive distributions (see Item 6, below). In addition, fees associated with investments made by the Fund will be paid to the Fund. Any such transaction fees received by the Fund may be retained and (i) applied by the Fund to pay for certain out-of-pocket costs otherwise payable by the Fund and (ii) paid to Breakaway to pay certain direct employee expenses; provided, however, that such amounts shall not be used to compensate our Principals.

Management Fees for Funds are set forth in the Fund Documents, and as such are generally non-negotiable. The Management Fees are typically charged and payable annually in advance. Fees may be deducted directly from the Fund's assets.

Management Fees for separately managed accounts may be negotiable. These fees may be charged quarterly in arrears, and investors may be billed for fees incurred. In some situations we are also entitled to performance allocations (see Item 6, below). BCMH may enter into a variety of different fee compensation structures for its non-discretionary services, which will generally vary substantially from its fee structure for providing advisory services where it has full discretion.

Portfolio Company-Related Fees

In addition to management fees for operating the Funds and Co-Investment Funds, Breakaway may also receive fees for work on the development and execution of core strategies for portfolio companies and for projects to increase portfolio company value. Portfolio-company related fees are paid regardless of a fund's profitability and are not negotiated with investors in the Funds or Co-Investment Funds and may be capitalized as part of the acquisition price of the relevant investment for consummated investments.

Costs and Expenses

Generally, a Fund bears all legal, accounting and other fees, costs and expenses of and incidental to organizing and funding the Fund and the general partner and manager of the Fund up to a certain amount as set forth in the governing documents and/or Memorandum of the Fund. A Fund will also bear the operational costs and expenses of the Fund. Such costs and expenses include, but are not limited to: (i) legal, auditing, custodial, administrative, consulting, financing and accounting fees and expenses of the Fund; (ii) expenses associated with preparation of the Fund's financial statements, reports to Fund investors and tax returns; (iii) out-of-pocket expenses and other expenses incurred in connection with the operation of the Fund under the laws of the jurisdiction in which it is organized; (iv) out-of-pocket expenses of transactions not consummated; (v) expenses of appraisers and consultants; (vi) expenses of litigation and indemnification; (vii) insurance premiums; (viii) expenses of advisory committee meetings and meetings of the Fund investors; (ix) other expenses associated with the acquisition, holding and disposition of the Fund's portfolio investments including extraordinary expenses; (x) any taxes, fees or other governmental charges levied against the Fund; and (xi) costs of dissolving and winding up the Fund. Fund investors may also bear a portion of any fees or expenses charged by any special purpose vehicles that have been formed to facilitate portfolio investments by the Funds or their investors for tax, regulatory or economic purposes. Breakaway may, at its discretion, choose to pay or reimburse the Fund for all or any portion of such expenses.

Sourcing and Diligence Expenses. These expenses relate more generally to investment sourcing and diligence for a particular investment strategy and include fees, costs and expenses of identifying, investigating (including conducting diligence with respect to), evaluating, structuring and negotiating potential investments for such strategy. The largest category of sourcing and diligence expenses are those expenses incurred with respect to the pursuit of particular investments that are never actually consummated. Examples of such "broken deal" expenses include fees and expenses of any legal, financial, accounting, consulting or other advisors or lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated; any travel and accommodation expenses and any deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, unconsummated transactions.

Other sourcing and diligence expenses include certain organizational expenses; legal, accounting and other professional fees and expenses; travel costs (which may include first or business class airfare, lodging (including first class lodging), ground transportation (including black car services), and premium meals; costs and expenses of attending trade association meetings, conferences or similar meetings to source and evaluate investment opportunities; fees and expenses of consultants; and costs and expenses of research and technology (including costs of specialty data subscription and license-based services and software). These expenses are allocated to the Funds and Co-Investment Funds that participate in the relevant investment strategy. The proportion of such expenses allocated to any relevant Fund or Co-Investment Fund may vary from period to period, but as a general matter, the significant majority of such expenses will typically be borne by the primary investment vehicle for such strategy, which is generally the Fund that has a minimum investment right in relation to the relevant strategy. Sourcing and diligence expenses may be paid to Firm affiliates.

Oversight Expenses. These expenses are incurred in connection with the oversight of portfolio companies. Examples of expenses that may fall within this category are travel expenses (including airfare, lodging and ground transportation, such as a black car service) for an employee of the Firm to attend a board of directors meeting of a portfolio company, directors' fees, other compensation and expenses for services provided to or on behalf of a portfolio company, expenses relating to the disposition or management of the portfolio investment, consulting fees, expenses, equity grants and other compensation of Firm affiliates for services provided to a portfolio company and fees and expenses of any other consultants, counsel, accountants or other experts for services provided to (or on behalf of) a Fund portfolio company. Other examples include: (i) brokerage commissions, clearing and settlement charges, investment banking fees and expenses, bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, bridge financing expenses (which may be payable to a Co-Investment Fund co-investing in the bridged transaction or to Adviser or an affiliate, in each case that provides bridge financing to the relevant Fund) and other investment, execution, closing and administrative fees, costs and expenses of portfolio companies, (ii) costs (including administrative and filing fees) of maintaining the holding structure for portfolio investments, (iii) portfolio and risk

management expenses (including hedging transactions and related costs), (iv) expenses of any actual or potential litigation or other dispute or investigation or inquiry related to any portfolio company or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of such portfolio company or the Firm) and other extraordinary expenses related to any portfolio investments (including fees, costs and expenses classified as extraordinary expenses under generally accepted accounting principles in the United States) and (v) expenses related to industry conferences directly related to a particular portfolio company. Oversight expenses may be paid to Firm affiliates. Oversight expenses may also include amounts for service costs paid to the Firm (or any affiliate) by a portfolio company or any entity through which a Fund or Co-Investment Fund invests in a portfolio company for local administration or management services related to such portfolio company or entity.

Expense Allocation. The Firm may allocate expenses among the Funds and Co-Investment Funds based on the nature of the expenses and may make corrective allocations if it determines that they are necessary or prudent. Expenses related to due diligence for a potential investment are generally either capitalized as part of the acquisition price of the relevant investment for consummated investments or treated as sourcing and diligence expenses for investments that are not consummated.

Other Expenses and additional potential fees are memorialized for Fund(s) in the Fund Documents.

Performance-Based Fees

Form ADV Part 2A, Item 6

Certain Clients pay Breakaway both Management Fees and a performance allocation (or incentive distribution) in the form of a carried interest catch-up and/or carried interest.

Breakaway charges performance-based fees in the form of a carried interest catch-up and/or carried interest only in accordance with Section 205(3) of the Advisers Act, or Rule 205-3 thereunder.

The nature and amount of compensation paid to Breakaway by a Client or an investor in a Fund may differ from that paid by other Clients or other Fund investors, even those investing in similar, competing or conflicting investments.

Breakaway faces a potential conflict of interest when (1) the actions taken on behalf of one Client may adversely impact another Client (e.g., because such Clients have the same or similar investment strategies and compete for investment opportunities or such Clients have conflicting investment strategies and one Client could gain an advantage investing in an opportunity or transaction ahead of another Client) and (2) Breakaway or its personnel have a pecuniary interest in Client accounts, such as earning a performance fee, because Breakaway may have an incentive to favor certain Clients over others with less lucrative fee structures. Such conflicts may present particular concern when, for example, Breakaway allocates securities transactions that Breakaway believes could more likely result in favorable performance, or executes potentially conflicting or competing investments.

Performance-based compensation arrangements in the form of a carried interest catch-up and/or carried interest may also create an incentive for Breakaway to recommend investments that are more risky or speculative than those that would be recommended under a different arrangement. Additionally, under a performance-based allocation (incentive distribution) structure, Breakaway may benefit when capital gains are recognized and, because it determines when an investment is sold, Breakaway could possibly control the timing of the recognition of such capital gains. Breakaway or its affiliates, or their respective principals or personnel, may also own a portion of the Fund(s) managed by Breakaway. This may create a similar performance-based incentive to that mentioned above.

To mitigate these conflicts, Breakaway's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to Clients and investors, without consideration of Breakaway's (or Breakaway's personnel's) other interests.

Types of Clients

Form ADV Part 2A, Item 7

Breakaway primarily provides investment advisory services to private funds, special purpose or single investor funds, and separate accounts. Breakaway manages assets for and markets its private funds and separate accounts, either directly or through the use of third party marketers, consultants or distributors, primarily to persons who are “qualified purchasers” (as defined in the Investment Company Act) and “accredited investors” (as defined in Regulation D under the Securities Act).

Investors and Clients may be, but are not limited to, institutional investors (including public and private pension funds), trusts, estates, foundations, endowments and other charitable organizations, corporations and high net worth individuals or family offices.

The minimum Fund investments are \$250,000 and \$500,000 respectively, but Breakaway, at its sole discretion, may accept lower investment amounts.

Separate accounts are generally in excess of \$5 million.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Breakaway provides investment advisory services that are customized to each Client's investment objectives, time horizon and risk tolerances as set forth in the respective Fund Documents or Investment Management Agreement.

For separately managed accounts, we work with Clients to develop an investment strategy by considering a Client's financial condition, financial and investment objectives, income and liquidity needs, desire and need for principal protection, risk tolerance and tax sensitivities. Separately managed account investments are based on individual beneficial owners' needs and generally focus on investments in traditional and alternative assets. Our mandates for separately managed accounts will typically be broad in scope and may vary widely from other Clients we advise.

We typically seek to invest in companies that we believe to possess strong business fundamentals, including companies with leading competitive positions within well-defined markets, sustained profitability, predictable cash flows, talented management and sound managerial controls.

We believe our capital is highly flexible and we have the ability to provide financing across the entire capital structure, including senior debt, subordinated debt, mezzanine or other junior debt, preferred stock, unitranche structure, structured equity and common equity to companies with fundamentally attractive business models, steady cash flow and superior management. Our flexible capital is tailored to provide value-added financing solutions that fit the unique needs of entrepreneurs, independent sponsors and private equity firms. Our goal is to utilize our extensive experience investing in and structuring deals to form long-term partnerships with our capital partners.

We seek to provide investors with superior risk-adjusted returns, primarily in the form of current income, by investing in lower middle market businesses. We believe cash flow lending to lower middle market companies represents an attractive market opportunity as lower middle market companies are currently underserved by traditional lenders. While our primary goal is to generate current income through loans and other debt investments, our investments may include equity participation, including warrants and other forms of equity, which would be expected to enhance Fund returns through capital appreciation.

We generally target investments that are between \$3 million and \$10 million per investment, but will also consider investments in larger companies on an ad-hoc basis; provided, however, that in such investments, we may partner with selected strategic investment partners. We will generally focus our investments on companies headquartered in the United States.

We provide capital for a wide variety of transactions, including:

- (a) Leveraged buyouts
- (b) Acquisitions
- (c) Recapitalizations
- (d) Restructurings

While each of our partners has unique financing needs, we typically invest in companies that share at least some of the following characteristics:

- Revenues of \$5 million to \$50 million
- EBITDA of \$1 million to \$5 million
- Sustainable market positions
- Positive cash flow
- Strong and experienced management teams

In addition, Breakaway can commit or arrange up to \$25 million of capital per transaction through our limited partners and extensive network of financial partners and relationships.

We select investments by analyzing information from a variety of sources, which may include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. We may also obtain market information through internal research facilities and third party providers such as Bloomberg, Dow Jones Capital, Reuters, wire services, and other publicly available sources. We may obtain additional information on issuers through due diligence meetings with issuers' management, court filings (including bankruptcy filings), independently prepared engineering and technical reports, interviews with suppliers, customers and competitors, third party analytical systems, and audited financial reports. Additionally, we may gather information for analysis through discussions with third parties such as tenants, customers, surveyors, engineers, environmental consultants, local brokers, attorneys, investment bankers, published research, discussions with third party investment research professionals, potential co-investors, etc.

We may use a variety of analytical methods on the data we collect, including fundamental, technical, and cyclical analyses. We also may analyze securities structures, political risks, monthly compliance statements, discounted cash flows, and proprietary data and analytical systems developed and maintained in-house. Further, we may perform analyses based upon debt payment history, term of debt, price, equity kickers, interest rate, market interest rates, general market conditions, industry conditions, and other similar factors.

Once we have identified investments that meet our criteria, we may employ a variety of investment strategies. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. While Breakaway seeks to mitigate risks so that they are appropriate to the return potential for the strategy or Client, it is usually not possible or desirable to fully mitigate risks. Clients and investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Our services are not intended to provide a complete investment program for investors. Breakaway expects that the assets it manages do not represent all of an investor's managed assets. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss. In addition, there can be no assurance that Breakaway will draw down all or any particular portion of a Client's commitment where, for example, Breakaway does not believe that investment opportunities available in the market place are prudent or appropriate for the Client.

Specific risks applicable to a particular Client are enumerated in the Fund Documents or the Investment Management Agreements or related documents with respect to each Client. The investments we manage entail the following general risks, some or all of which may be applicable to any particular Client depending on the asset classes involved and investment guidelines of such Client:

- Certain senior principals of Breakaway may from time to time focus their activities on other opportunities and areas unrelated to Clients, including personal investments or endeavors.
- The business of making debt, mezzanine and private equity investments is by its very nature highly uncertain. There are a large number of factors that can and will affect the success of the Fund(s), including the overall economic environment, interest rates, the stock market, competition for attractive opportunities and the ability to realize gains from portfolio companies on a timely basis.
- Because of the numerous risks involved in Breakaway's investment strategies, the lack of a public market for the interests in the Fund(s) and restrictions on the transfer of interests in the Fund(s), certain investments are only suitable for sophisticated investors who are willing and able to hold investments in the Fund(s) for the entire terms of the Fund(s) and who understand they may lose all or a significant portion of their invested capital.
- Our investment strategies typically involve investment portfolios that are expected to consist primarily

of securities issued by privately held companies, and that operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses, including a complete loss of invested capital.

- Breakaway and its affiliates are newly created entities with little to no operating histories. There can be no guarantee that Breakaway will be successful in implementing any of its investment strategies.
- Breakaway generally will not be able to exercise day-to-day control over the activities of its portfolio company investments. Absent the occurrence of certain trigger events which likely will vary depending upon the specific investment, decisions with respect to the management and operations of portfolio companies in which Breakaway invests will be made by the portfolio company's management team. In general, Breakaway will not have the right to manage the operation or strategic decisions of its portfolio company investments, including, without limitation, implementing the operational, financing and exit decisions. In addition, while Breakaway may have limited rights to remove the management team or make other changes with respect to a portfolio company in certain limited circumstances, in general these rights will not exist absent extraordinary circumstances or may not exist at all depending upon the specific terms of the investment. Accordingly, the success of Breakaway's investments will depend substantially on the core competence and efforts of each portfolio company's management team, as well as the willingness and ability of the management teams at the portfolio companies to accept and successfully execute the advice and strategies proposed by Breakaway, as applicable.
- In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Because of the nature of certain of the investments that may be made by Breakaway, it may be subject to allegations of lender liability.
- It is possible that Breakaway may be unable to obtain the amount of capital commitments it seeks. Breakaway has the discretion to accept lesser aggregate capital commitment amounts and to accept capital commitments in multiple tranches of no minimum size. Therefore, it is possible that aggregate capital commitments may be significantly lower than the targeted amount. The failure to achieve a large enough level of capital commitments may limit Breakaway's ability to effectively pursue its investment strategies and objectives. A failure to obtain a large enough level of capital commitments also could have a material adverse effect on Breakaway's ability to compete with other, better funded, investors, and may adversely affect both the number and quality of available investment opportunities as well as the returns that may be realized from Breakaway's investments.
- Investments in companies in the middle market may also entail larger risks than those associated with investments in large companies. Middle market companies may have more limited product lines, market and financial resources, and may depend on a smaller management group.
- The debt markets have experienced volatility as a result of certain factors including the tightening of underwriting standards by lenders and credit rating agencies. These factors, among others, have resulted in lenders decreasing the availability of debt financing as well as tightening the terms of such financing. Should the overall availability of debt financing decrease and/or the cost of borrowing increase, either by increases in the index rates or by increases in lender spreads, such factors will impact Breakaway's ability to exit transactions in situations where a buyer cannot access necessary financing or a portfolio company is unable to refinance its debts in order to pay off the principal amount owed.
- The success of Breakaway's investments may be negatively affected by general economic and market conditions, including interest rates, credit availability, inflation rates, economic uncertainty, changes in

laws, and national and international political developments. These factors may affect the structure, terms and performance of Breakaway's investments, the level and volatility of security prices and liquidity of the securities held by Breakaway. Unexpected volatility or lack of liquidity could impair Breakaway's profitability or result in losses.

- Certain investments may be in businesses with high levels of debt. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. The use of leverage also will result in interest and transaction expenses and other costs to the Fund(s) that may not be recouped through distributions to the limited partners or appreciation in the realized value of Breakaway's investments.
- Generally, Breakaway invests in illiquid securities as to which there will not be, and is not expected to develop, any readily available market. Therefore, most of Breakaway's investments will be difficult to value and difficult to realize value for in the absence of a negotiated exit transaction, the timing and terms of which may not be in the control of Breakaway and may take years to materialize, if at all.
- All of Breakaway's network for deal flow and capital access is tied to its association with its senior principals. If Breakaway's senior management were to no longer actively serve Breakaway, there is no assurance that their services and contacts might be replaced at a reasonable cost or at all, which may place Breakaway at risk of failing to fully deploy its capital or otherwise materially increase the risk of being a Client.
- Breakaway investments will typically be long-term in nature and it is uncertain when profits on its investments will be realized, if at all. Although Breakaway may earn interest or dividends currently on some of its investments, it is not generally expected that invested capital will be returned to Clients or investors for at least several years after an initial investment is made.
- Generally, there will be no readily available market for a substantial number of Breakaway's investments, and hence, its investments will be difficult to value.
- In the ordinary course of business, Breakaway, its employees and affiliates, may engage in activities where their interests may conflict with the interests of Clients and investors.
- The existence of carried interest may create an incentive for Breakaway to recommend or approve more speculative investments on behalf of Clients than would be the case in the absence of such arrangements. Such speculative investments would expose Clients to greater risk of loss than if Breakaway refrained from making such speculative investments.
- The loans and other assets in which our Clients invest may be considered to be speculative, and involve a high degree of financial risk due to the nature of their issuers' and obligors' leveraged capital structures. These investment may be (1) unsecured and subordinated to substantial amounts of senior debt, (2) may not be appropriately protected by financial covenants or limitations on additional debt, (3) may have limited liquidity, and (4) may not be rated by a credit rating agency.
- Alternative asset investments may have a contractual return that is not paid entirely in cash, but rather partially or wholly in-kind or as an accreting liquidation preference, thus lengthening the time before cash is received and increasing the Client's risk exposure to the portfolio company. While Breakaway intends to achieve a targeted return for a given investment over time, other factors such as overall economic conditions, the competitive environment and the availability of potential purchasers or capital for the refinancing of the securities, may shorten or lengthen holding periods and some investments may take longer than initially planned from the initial investment date to achieve a realization.
- Debt portfolios are subject to credit and interest rate risks. "Credit risk" refers to the potential that an issuer or obligor will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer or obligor are the primary factors influencing credit risk. In addition,

lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities or loans which are rated by rating agencies are often reviewed and may be subject to downgrade. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments may also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

- Investments may include bridge financing to portfolio companies. While a bridge financing is outstanding, the bridge lender bears the risk of changes in the capital markets. A portfolio company's inability to refinance a bridge loan may result in a Client retaining a long-term investment in a junior security or having its bridge loan converted to equity.
- Certain Clients may enter into credit default swaps, which are a type of derivative instrument. While the International Swaps and Derivatives Association, Inc. (ISDA), has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit default swap market, the credit default swap market is expected to change and the Credit Derivatives Definitions and terms applied to credit derivatives are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. The Credit Derivatives Definitions are expected to continue to evolve. There can be no assurances that changes to the Credit Derivatives Definitions and other terms applicable to credit derivatives generally will be predictable or favorable to Clients. Amendments or supplements to the Credit Derivatives Definitions that are published by ISDA will only apply to credit default swaps of Clients, if any, if Clients and the swap counterparty agree to amend any such credit default swap to incorporate such amendments or supplements. Markets in different jurisdictions have also already adopted and may continue to adopt different practices with respect to the Credit Derivatives Definitions. Furthermore, the Credit Derivatives Definitions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to Clients.
- To the extent Clients invests in swaps, "synthetic" or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments or, in certain circumstances, non-U.S. securities, Clients take the risk of non-performance by the other party to the contract. This risk may include the credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.
- The identification of attractive investment opportunities is difficult and highly uncertain. There can be no assurance that we will be able to invest a Client's capital fully or that suitable investment opportunities will be identified. Breakaway may seek to invest in companies with relatively short operating histories and lower revenues or companies that have undergone leveraged buyouts or recapitalizations. The success of Client portfolios will depend on the ability of Breakaway to originate, recommend, structure, identify and consummate suitable investments in a highly competitive environment, to improve the operating performance of portfolio companies, and to dispose of investments at a profit. Breakaway competes with the public and private debt and equity markets and with other investors, including other asset management firms, mezzanine funds, private equity funds, hedge funds, direct investment firms, business development companies and merchant banks for

investment opportunities.

- The Funds are lenders, and loans (and any equity investments it makes) will be non-controlling investments, meaning the Funds will not necessarily be in a position to control the management, operation and strategic decision-making of the companies it invests in. As a result, the Funds will be subject to the risk that a portfolio company the Funds do not control, or in which the Funds do not have a majority ownership position, may make business decisions with which the Funds disagree, and the equity holders and management of such a portfolio company may take risks or otherwise act in ways that are adverse to the Funds' interests. Due to the lack of liquidity for the debt and equity investments that the Funds typically hold in its portfolio companies, the Funds may not be able to dispose of its investments in the event that they disagree with the actions of a portfolio company, and may therefore suffer a decrease in the value of their investments.
- Investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Firm regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm will consider the investment and tax objectives of a Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually.
- As part of its lending activities, the Funds may originate loans to companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns to the Funds, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Funds will correctly evaluate the value of the assets collateralizing the loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company that it funds, the Funds may lose all or part of the amounts advanced to the borrower or may be required to accept collateral with a value less than the amount of the loan advanced by the Funds to the borrower.
- Increased reliance on internet-based programs and applications to conduct transactions and store data creates growing operational and security risks. Targeted cyberattacks or accidental events can lead to breaches in computer and data systems security, and subsequent unauthorized access to sensitive transactional and personal information held or maintained by the Firm, its affiliates, and third party service providers or counterparties. Any breaches that occur could result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors and the beneficial owners of investors, and may lead to theft, data corruption, or overall disruption in operational systems. Criminals may use data taken in breaches in identity theft, obtaining loans or payments under false identities and other crimes that have the potential to affect the value of assets in which the Funds or Co-Investment Funds invest. The information and technology systems of Breakaway, the Funds and Co-Investment Funds and their portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. These risks have the potential to disrupt Breakaway's ability to engage in transactions, cause direct financial loss and reputational damage or lead to violations of applicable laws related to data and privacy protection and consumer protection. Cybersecurity risks also necessitate ongoing prevention and compliance costs.
- A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations, or policies that prohibit, restrict, or require that individuals or entities seeking to do business with state entities, including those seeking investments by public retirement funds, disclose payments to and/or contracts with state officials. The SEC has adopted rules prohibiting investment

advisers from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees, or agents makes a contribution to certain elected officials or candidates. If the Firm, any of its employees or affiliates, or any service providers acting on its behalf fail to comply with such laws, regulations, or policies, it could adversely affect the Funds or Co-Investment Funds.

Disciplinary Information

Form ADV Part 2A, Item 9

Breakaway has no disciplinary information to disclose.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

As noted above, BCMH is the principal owner of BCM. We do not believe that the affiliation of these two investment advisors creates any conflict of interest with respect to Clients or Investors.

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

Form ADV Part 2A, Item 11

Breakaway has adopted a Regulatory Compliance Manual (Compliance Manual) that includes a Code of Ethics (the Code) setting forth the standards of ethical and business conduct expected of our personnel and addresses conflicts that may arise from personal trading by personnel. The Code, among other things, requires compliance with the federal securities laws, reflects the fiduciary responsibilities of Breakaway and its advisory personnel, prohibits certain personal securities transactions, and requires personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions. The Compliance Manual also addresses certain other potential conflicts of interest including Insider Trading, Gifts and Entertainment, Political and Charitable Contributions, and Outside Business Activities. Pertinent provisions of the Compliance Manual and the Code are discussed below.

A copy of the Compliance Manual including the Code will be provided to any Client, prospective Client or investor upon request, by calling the telephone number on the front of this brochure.

Transaction Restrictions. The Code includes restrictions on investment transactions in which Breakaway's officers, directors and certain other persons have a beneficial interest to avoid any actual or potential conflict or abuse of their fiduciary position. The Code permits personnel subject to the Code to invest in securities, but contains several restrictions and procedures designed to eliminate conflicts of interest including:

- a) pre-clearance of non-exempt personal investment transactions;
- b) quarterly reporting of personal securities transactions and initial and annual reporting of securities holdings;
- c) a prohibition against personally acquiring securities in an initial public offering, entering into uncovered short sales and writing uncovered options;
- d) a prohibition, with respect to certain investment personnel, from profiting in the purchase and sale, or sale and purchase, of the same (or equivalent) securities, within 60 calendar days;
- e) a prohibition against acquiring any security which is subject to firm wide restriction;
- f) a prohibition of the purchase of securities offered in a hedge fund, other private placement or limited offering (other than certain affiliated-sponsored offerings) except with prior approval of appropriately designated Breakaway personnel; and
- g) a prohibition of a purchase, without prior disclosure to appropriately designated Breakaway personnel, on behalf of a Client through a private placement of a security of an issuer or its affiliate, if a member of Breakaway has a beneficial interest in the issuer or affiliate.

Parallel Investments. Breakaway may recommend, buy or sell investments in issuers in which it or related persons may also purchase, hold or sell other investments. These investments may be either publicly traded or private placements. Breakaway policy establishes various procedures with respect to investment transactions in which Breakaway's related persons have a beneficial interest that are designed to reduce the potential for conflicts of interest.

Insider Trading. The Compliance Manual includes a policy on insider trading that provides generally that no officers, directors or employees of Breakaway may:

- a) buy or sell a security either for themselves or others while in possession of material non-public information about the company, or
- b) communicate material non-public information to others who have no official need to know.

The policy also provides guidance about what is material non-public information, lists common examples of situations in which Breakaway personnel could obtain that information, and describes Breakaway's procedures regarding securities maintained on a "Restricted Securities List" and for establishing information barriers. It also identifies parties to contact with questions in connection with the requirements of the policy statements.

Restrictions on Gifts and Entertainment; Political and Charitable Contributions; Outside Business

Activities. Breakaway has a policy governing gifts and entertainment to identify and mitigate conflicts of interest. The policy includes reporting and approval processes for specific categories of gifts and entertainment provided to or given by Breakaway employees. Additionally, Breakaway's policy on political activities and contributions contains rules governing contributions and solicitation, sets forth the responsibilities of individuals for personal contribution limits, requires the pre-clearance of certain contributions to federal, state and local candidates, campaign committees, political parties or other political organizations, and sets rules for political activities on Breakaway's premises or using Breakaway resources. There is as well a policy governing employees' activities outside of their employment with Breakaway, including outside employment, service as director or in a similar capacity, fiduciary appointments, and participation in public affairs and service as treasurer of clubs, houses of worship, and lodges.

Confidentiality and Reporting. Breakaway's policies require employees to keep the confidentiality of all non-public information regarding the Firm, Clients, Investors, prospects and other employees, and to report illegal activity or activities not in compliance with Breakaway's formal written policies and procedures, including the Code.

The Code provides for exemptive relief from certain of its requirements, upon application to and approval by designated personnel. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in a Client's investment management agreement with Breakaway shall in any way constitute a waiver or limitation of any rights which the Client may have under any federal securities laws.

Principal and Cross Transactions. It is Breakaway's policy to generally avoid principal transactions. In certain cases, however, and subject to each Client's governing documents, Breakaway may cause a Client to purchase investments from another Client, or it may cause a Client to sell investments to another Client. Such transactions may create conflicts of interest because the Firm might have an incentive to improve the performance for one Client by selling underperforming assets to another Client in order, for example, to earn Management Fees or a performance allocation from the acquiring Client.

Additionally, in connection with such transactions, Breakaway, its affiliates and/or their professionals (1) may have a significant investment, or intentions to invest, in a Fund that is selling and/or purchasing such an investment or (2) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). To address these conflicts of interest, in connection with effecting such transactions, Breakaway will, to the extent feasible, use market forces to determine the price at which one Client acquires the investment from another. Any conflicts of interest may need to be brought to the attention of the applicable Fund's Limited Partners, depending upon the relevant Fund's governing documents.

Brokerage Practices

Form ADV Part 2A, Item 12

As a private debt fund sponsor, Breakaway's typical acquisition of a loan would likely involve a privately negotiated transaction with the issuer, and would not involve the services of a broker or dealer. In the event the Firm uses a broker to effect transactions in public securities or other instruments resulting from, or in connection with, portfolio investments, the Firm will seek "best execution" of the transaction and will not seek or accept any payment from a broker in connection with such transactions. Furthermore, the Firm will pay no more than a reasonable brokerage fee in connection with any such transaction. In placing brokerage, the Firm will consider the size and nature of an order, the difficulty of execution and the full range and quality of a broker-dealer's services. The Firm has full discretionary authority over the purchase and sale of investments (including the size of such transactions), the broker or dealer, if any, to be used to effect transactions and commissions paid to such broker or dealer.

Although Breakaway does not maintain any formal soft dollar or commission sharing arrangements, the Firm does have relationships with various counterparties that may provide the Firm with access to proprietary research reports which may be used by the Firm. It is the Firm's general understanding that this investment research is made available to all institutional investors doing business with such counterparties and is done so on an unsolicited basis and without regard to the rates of commissions or other compensation charged or paid by Breakaway or the volume of business Breakaway directs to such counterparties. Since these products and services are merely made available by the counterparties as part of a bundled business package to the Firm, which may or may not be used, it is the Firm's understanding that such counterparties do not set discrete prices for such products and services. Accordingly, Breakaway does not separately compensate such firms for the provision of such services since the firms do not break out the costs for such services.

In cases where the Firm does effect transactions in public securities, the Firm may aggregate the purchase or sale of securities for various client accounts if the Firm believes that would be in the best of interest of those accounts.

Review of Accounts

Form ADV Part 2A, Item 13

Client accounts are typically monitored and reviewed by appropriately designated Breakaway personnel on an ongoing basis. The details of the monitoring vary based on the nature of the investment strategy and the investments made. Participants in the review and monitoring may include senior management personnel of Breakaway, outside legal counsel and third party service providers.

Breakaway distributes account statements and financial reports monthly, quarterly or annually as required by each Client's controlling documents. Depending on the type of Client, account statements may include contributions, distributions, realized and unrealized gains/losses, and performance net and gross fees. Financial reports may include statements of assets and liabilities, operations, changes in partner capital, cash flows, schedule of investments, fees, notes, and report of independent auditors (on an annual basis). Fund investors will receive financial statements that comply with the requirements provided in the relevant governing documents.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Breakaway currently does not provide compensation or a fee to any third party solicitors for client referrals.

However, Breakaway may pay third parties a fee or compensation for referral of an investor. Any such third parties will be required to provide prospective investors with a current copy of Breakaway's written disclosure statement and the solicitor's written disclosure statements, and Breakaway will obtain a signed and dated acknowledgement from each referred investor of the receipt of such disclosure statements, as required by Rule 206-(4)-3 under the Advisers Act.

Custody

Form ADV Part 2A, Item 15

Because Breakaway serves as general partner of certain Fund(s), Breakaway is deemed to have “custody” over the Fund(s) within the meaning of Rule 206(4)-2 under the Advisers Act. Each investor in a Fund will receive audited financial statements within 120 days following the Fund’s fiscal year end. In addition, each investor in a Fund will receive unaudited financial statements on a quarterly basis (except the last quarter of each year). These statements should be reviewed carefully and compared against any client reports received from Breakaway. Any discrepancies between the statements and reports should be promptly reported to Breakaway. If an investor in a Fund has not received audited financial statements timely, please contact us. Our contact information appears on the cover page of this Brochure.

Investment Discretion

Form ADV Part 2A, Item 16

BCM has discretionary authority for certain Clients for which it is the investment adviser. BCM's discretionary authority includes the ability to do the following without contacting the Client: (a) determine the type of investment transaction to enter into; and/or (b) determine the amount of the investment transaction to enter into.

BCM's investment decisions and advice with respect to separately managed accounts are subject to the Client's investment objectives and guidelines, as established by the Client, in consultation with BCMH, and set forth in the applicable Investment Management Agreement.

Also see Item 4 for a further description of our authority over Client accounts.

Voting Client Securities

Form ADV Part 2A, Item 17

With respect to the Fund, BCM exercises all voting rights on behalf of the Fund, as appropriate and as necessary.

With respect to separately managed accounts, BCMH generally does not accept the authority to vote a Client's securities (i.e. proxies) on their behalf.

Financial Information

Not applicable.

Form ADV Part 2A, Item 18