

Prospect Hill Growth Partners

Form ADV – Part 2A

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This brochure (“Brochure”) provides information about the qualifications and business practices of Prospect Hill Growth Partners, L.P. (“Prospect Hill Growth Partners” and formerly JWC Management, L.P.) and our affiliated advisor J. W. Childs Associates, L.P. (“JWC Associates” and, together with Prospect Hill Growth Partners, “we”, “us”, or “our”). JWC Associates is listed as a relying advisor on our ADV Part IA. If you have any questions about the contents of this brochure, please contact us at (617) 753-1100 and/or email: accountingdept@phgrowth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Prospect Hill Growth Partners, L.P. is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT PROSPECT HILL GROWTH PARTNERS OR ANY OF THE PERSONNEL OR EMPLOYEES OF PROSPECT HILL GROWTH PARTNERS POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2. Material Changes

This Brochure, dated as of April 10, 2020, serves as an update to the Brochure dated March 26, 2019. This Item 2 sets forth a brief summary of any material changes to our disclosure since our last update. Relevant changes include:

- As noted in the prior year brochure, John W. Childs retired from the firm in March 2019. In connection therewith, Mr. Childs disposed of, or otherwise relinquished, his interests in certain co-investment vehicles, general partner entities and other Firm entities.
- Certain updates and clarification have been made to “Litigation Risks” under the Material Risk Section of Item 8 and to “Relationships with Related Persons” of Item 10.
- In addition, “Coronavirus (COVID-19) and Other Public Health Risks” has been added to the Material Risk Section of Item 8.

Item 3. Table of Contents	Page
Item 4. Advisory Business	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-By-Side Management	7
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9. Disciplinary Information.....	16
Item 10. Other Financial Industry Activities and Affiliations	16
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	18
Item 12. Brokerage Practices	21
Item 13. Review of Accounts	22
Item 14. Client Referrals and Other Compensation	23
Item 15. Custody	23
Item 16. Investment Discretion	24
Item 17. Voting Client Securities	24
Item 18. Financial Information.....	25

Item 4. Advisory Business

Prospect Hill Growth Partners (formerly known as J.W. Childs) is a private equity firm that was founded in 1995. Prospect Hill Growth Partners operates its business through Prospect Hill Growth Partners L.P. (formerly JWC Management L.P.¹) and its affiliate, JWC Associates. Prospect Hill Growth Partners, L.P.² was established in 2014 and is the principal Prospect Hill Growth Partners entity that provides investment advisory services to the various private equity funds sponsored or organized by Prospect Hill Growth Partners (each, a “Fund”). The principal owners of Prospect Hill Growth Partners, L.P. are David A. Fiorentino, Adam L. Suttin, Jeffrey J. Teschke and William E. Watts. JWC Associates is wholly owned by John W. Childs. A related person of Prospect Hill Growth Partners generally acts as the general partner of (or in another equivalent management position for) each Fund. References to Prospect Hill Growth Partners in this Brochure include, as the context requires, affiliates through which Prospect Hill Growth Partners provides investment advisory services or that act in any capacity referenced in the previous sentence. References to “person” in this Brochure include, as the context permits, natural persons and entities. For the purposes of this brochure, a “client” of Prospect Hill Growth Partners will refer to a Fund (and not the investors in a Fund).

Prospect Hill Growth Partners focuses primarily on making control investments in growth companies or companies in the consumer products, specialty retail and healthcare services sector that have the potential to grow with the help of Prospect Hill Growth Partners’ operating and managerial capabilities. Although the primary focus of each Fund is on such control investments, Prospect Hill Growth Partners may from time to time recommend other types of investments to the extent consistent with the respective Fund’s investment strategy and objectives and its Governing Documents (as defined below).

Prospect Hill Growth Partners’ investment advisory services to the Funds consist of (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. Prospect Hill Growth Partners tailors its advisory services to the specific investment objectives and restrictions of each Fund, as set forth in each Fund’s limited partnership agreement, confidential private placement memorandum and other governing documents (collectively, the “Governing Documents”). Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to such Fund. There can be no assurance that any of the Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Funds and/or their general partners may enter into “side letters” or similar agreements with certain investors pursuant to which the Fund or its general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. Such “side letters” or similar agreements generally are disclosed only to investors in the applicable Fund that

¹ JWC Management, L.P. rebranded as Prospect Hill Growth Partners, L.P. in March 2019.

² Prospect Hill Growth Partners, L.P. is the entity that is registered as an investment adviser with the SEC.

have separately negotiated with Prospect Hill Growth Partners for the right to review such “side letters” or similar agreements.

Certain employees, consultants, advisors, officers and directors of Prospect Hill Growth Partners and their related persons are given the opportunity to invest on a side-by-side basis with the Funds through co-investment vehicles that are structured to facilitate those investments (each, a “Co-Investment Vehicle”). Prospect Hill Growth Partners generally forms a separate Co-Investment Vehicle to co-invest alongside each Fund. The structure and operations of the Co-Investment Vehicles are discussed in Item 11.

Prospect Hill Growth Partners does not participate in any wrap fee programs.

Prospect Hill Growth Partners manages assets of the Funds on a discretionary basis in accordance with the terms and conditions of each Fund’s Governing Documents. Prospect Hill Growth Partners does not manage client assets on a non-discretionary basis. As of December 31, 2019, Prospect Hill Growth Partners’ regulatory assets under management were \$1,009,883,695.

Item 5. Fees and Compensation

Compensation and Fee Schedules

Each Fund typically pays an advisory fee to Prospect Hill Growth Partners or an affiliate, as specified in the Fund’s Governing Documents. Such advisory fees are generally equal to a percentage of the aggregate commitments to the Fund during the Fund’s investment period, and thereafter a percentage of the cost basis of undisposed investments of the Fund, as negotiated and determined at the time the Fund is established, as set forth in its Governing Documents.

In addition, a related person of Prospect Hill Growth Partners, as general partner of a Fund, will typically receive certain allocations and distributions calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Fund, as negotiated and determined at the time such Fund is established, as set forth in its Governing Documents. These allocations and distributions are commonly known as the “carried interest”.

Different Funds may be subject to different advisory fees and performance-based compensation arrangements. All investors and prospective investors should review the Governing Documents of each Fund in conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Fund. Prospect Hill Growth Partners will be delivering this Brochure solely to “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), and therefore Prospect Hill Growth Partners has not included specific fee information in this Brochure.

In limited circumstances, the advisory fees and carried interest payable to Prospect Hill Growth Partners by a Fund may be waived or reduced with respect to certain participants in such Fund. Fees are typically waived or reduced with respect to investments in the Funds by Prospect Hill Growth Partners or its related persons.

Investors and prospective investors in the Funds should note that similar advisory services may (or may not) be

available from other investment advisers for similar or lower fees.

Deduction of Fees; Timing of Payments; Termination

Prospect Hill Growth Partners is authorized under the Funds' Governing Documents to charge and deduct advisory fees directly from the assets of the Funds. Payments of advisory fees are generally made quarterly in advance, in accordance with the terms of the Fund's Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of advisory fee payments.

Upon termination of any Fund's advisory relationship with Prospect Hill Growth Partners, any prepaid, unearned advisory fees (based on daily pro ration of the fee paid in advance for the applicable period) will be promptly refunded to such Fund, and any earned, unpaid fees will be due and payable in accordance with the terms of the Fund's Governing Documents.

Other Fees and Expenses

In addition to any advisory fees payable to Prospect Hill Growth Partners, a Fund will generally incur certain charges imposed by third parties and other expenses. Such expenses may include (but are not limited to): all costs and expenses incurred in investigating, developing, negotiating, structuring, trading, settling, hedging, monitoring and holding portfolio investments of the Fund, including without limitation any travel, legal, tax and accounting expenses in connection therewith (subject to any reimbursement of such costs and expenses by portfolio companies of the Fund, or capitalization of such payments and expenses in the purchase price of portfolio investments of the Fund, in completed transactions); all other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of the Fund's assets; the costs of rendering financial assistance to the portfolio companies of the Fund; organizational expenses of the Fund, fees payable to any placement agent engaged by Prospect Hill Growth Partners in the offering of the interests of the Fund, the costs of unconsummated investments (including, without limitation, all costs and expenses incurred in developing, investigating, negotiating, structuring or terminating any proposed portfolio investment in which the Fund does not actually invest), including without limitation any travel, legal, tax and accounting expenses in connection therewith; brokerage commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs; costs of preparing financial statements and reports to the limited partners of the Fund, tax returns and Schedule K-1s; costs and fees of legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants and other outside advisors; expenses of the Fund's advisory board and its members attributable to the Fund and its activities; expenses of annual and special meetings of the partners of the Fund, whether as a group or individually; third-party expenses incurred in connection with secure communications to investors in each Fund; insurance; costs of any audit, investigation, administrative or other proceedings, litigation and threatened litigation and proceedings relating to the business or activities of the Fund; indemnification obligations; liquidation expenses of the Fund; capital payments, interest and other expenses in respect of indebtedness for borrowed money; taxes, fees or government charges that may be assessed against the Fund; any extraordinary expense of the Fund, including fees and expenses associated with any tax or other audit, investigation, administrative or other proceeding, regulatory matter, settlement or review

of the Fund including, without limitation, any changes to the management structure and operation of the Fund; fees and costs in connection with the Fund's legal and regulatory compliance with U.S. (federal, state or local) and non-U.S. laws and regulations; and all other expenses properly chargeable to the activities of the Fund.

The types of other fees and expenses incurred will vary from Fund to Fund. Please refer to the Governing Documents of each applicable Fund for more complete information.

The section titled "Brokerage Practices" (Item 12 below) describes the factors Prospect Hill Growth Partners considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Timing of Payments

Please refer to the subsection titled "*Deduction of Fees; Timing of Payments; Termination*" described above.

Transaction-Based Compensation

Prospect Hill Growth Partners does not receive any transaction-based compensation from the Funds for the sale of securities or other investment products to any Fund. Please refer to the subsection titled "*Economic Benefits Received from Third Parties*" in Item 14 below for information on other types of compensation that Prospect Hill Growth Partners may receive with respect to the Funds' investments in portfolio companies.

Co-Investment Vehicles

The Co-Investment Vehicles generally do not pay an advisory fee or carried interest to Prospect Hill Growth Partners. However, the Co-Investment Vehicles do generally share in fees and expenses related to (i) portfolio investments made by the relevant Co-Investment Vehicles and Fund on a pro rata basis (based on invested capital) and (ii) except as set forth below, transactions considered for the relevant Fund and Co-Investment Vehicle but not consummated (on a basis that Prospect Hill Growth Partners believes is fair and equitable). Certain Co-Investment Vehicles generally do not bear expenses in connection with investing, due diligence, negotiation or execution of deals ultimately not consummated by the relevant Fund and the Co-Investment Vehicles. All such expenses are generally borne entirely by the relevant Fund the applicable Co-Investment Vehicle co-invests with. All investors should review the Governing Documents of the applicable Funds for complete information on how expenses are shared between such Fund and the relevant Co-Investment Vehicle with respect to such Fund.

Item 6. Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

As discussed under the section titled "Fees and Compensation" (Item 5 above), a related person of Prospect Hill Growth Partners, as general partner of a Fund, will typically receive a carried interest based on a share of capital gains on or capital appreciation of the assets of such Fund, as set forth in such Fund's Governing Documents.

Any share of profits allocated and distributed to the general partner of a Fund is separate and distinct from the advisory fees charged by Prospect Hill Growth Partners to such Fund for advisory services. Performance-based carried interest arrangements may create an incentive for Prospect Hill Growth Partners to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee or compensation arrangement. Please refer to the Governing Documents of each Fund for complete information on the “performance-based fee” arrangements of each Fund.

Side-by-Side Management

Prospect Hill Growth Partners may provide concurrent advisory services to Funds that are not charged a performance-based fee or carried interest and Funds that are charged a performance-based fee or carried interest. Prospect Hill Growth Partners may also provide concurrent advisory services to Funds that are charged different performance-based fees or carried interests or that, based on investment results at a given time, are more likely to generate performance-based fees or carried interest. As a result, the potential for Prospect Hill Growth Partners’ related persons to receive different fees or carried interests creates a potential conflict of interest with respect to the allocation of investment opportunities because Prospect Hill Growth Partners may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or carried interest.

To mitigate this potential conflict of interest, the allocation of investment opportunities among Funds is made by Prospect Hill Growth Partners in accordance with its investment allocation policy, which takes into account multiple criteria, including: (i) differences with respect to available capital (*e.g.*, current or anticipated capital available for investment, including anticipated follow-on investments, if applicable), size, and remaining life of each Fund; (ii) the nature of the investment opportunity (including the size and anticipated follow-on investment requirements); (iii) potential conflicts of interest (including whether a Fund has an existing investment in the opportunity in question); (iv) the investment objectives, strategies, guidelines, liquidity provisions and other applicable investment restrictions of each Fund; (v) any relevant provisions in each Fund’s Governing Documents (including the relevant allocation of investment opportunity provisions and restrictions); (vi) tax, legal or regulatory considerations; and (vii) current and anticipated market conditions. In the event that investment opportunities are suitable for more than one Fund, Prospect Hill Growth Partners and its related persons seek to derive an allocation that in their judgment is fair and equitable to each Fund relative to other Funds over the life of such Fund, taking into account all relevant facts and circumstances.

At most times, only one Fund (together with any parallel funds formed to generally invest proportionately in each investment) is actively seeking investment opportunities in new portfolio companies. When a new Fund is first formed and the predecessor Fund still has capital available for investments in new portfolio companies, Prospect Hill Growth Partners will generally allocate investment opportunities in new portfolio companies to the predecessor Fund (and potentially predecessor Funds of earlier vintage that have available capital) in accordance with the Governing Documents of such Funds and otherwise on a basis that over a period of time is considered by Prospect Hill Growth Partners to be fair and equitable to each Fund, taking into account all relevant facts and circumstances (including those described in the preceding paragraph).

A follow-on investment opportunity in an existing portfolio company shall generally first be considered as an

opportunity for the Fund that has an existing investment in that company. If more than one Fund has an existing investment in the portfolio company, the follow-on opportunity will generally first be considered as an opportunity for those Funds, in proportion to their pre-existing investments in the portfolio company. However, Prospect Hill Growth Partners may determine that a non-pro rata follow-on investment is appropriate (for example, because one of the Funds does not have enough unreserved capital left to invest or would exceed certain limitations in the Fund's Governing Documents if it were to invest its pro rata amount). If, after Prospect Hill Growth Partners has determined how much to invest for the Funds with priority on such opportunity, there is an additional amount potentially available to the Funds in respect of such opportunity, Prospect Hill Growth Partners may consider that remaining amount for other Funds that are then making new investments, subject to any applicable provisions of the Funds' Governing Documents.

Depending on the size and other relevant factors associated with an investment opportunity, and after the applicable Fund(s) have received their desired portion of a new investment or follow-on investment opportunity, Prospect Hill Growth Partners, may in certain cases (but shall be under no obligation to) make additional amounts in excess of the target investment size of the Fund(s) with respect to such investment opportunity available for co-investment to one or more investors in the Funds (but not necessarily all such investors) or other third parties (including other private investment firms, strategic investors that are not affiliated with Prospect Hill Growth Partners or otherwise) (collectively, "Potential Co-Investors") if Prospect Hill Growth Partners determines it would be in the best interests of the applicable Fund(s) to do so. Factors that Prospect Hill Growth Partners may consider in allocating any particular co-investment opportunity include, among others: (i) the amount of capital required for the investment opportunity; (ii) the nature of the security or the transaction; (iii) timing (how quickly a Potential Co-Investor is able to conduct its own due diligence and provide a commitment with respect to an investment opportunity); (iv) ability to make the investment (whether the Potential Co-Investor has the financial and other resources to make the investment); (v) co-investment interest (whether the Potential Co-Investor has indicated a desire to make investments of the type offered by the investment opportunity); (vi) quality of deal partner (whether Prospect Hill Growth Partners believes that a Potential Co-Investor will represent a good syndicate partner in connection with such Fund's investment (including by taking into account previous dealings with such Potential Co-Investors and by such Potential Co-Investor giving confidence that it will be able to meet future investment needs of the business)); (vii) any requirements or restrictions relating to co-investment opportunities in a Fund's governing documents; (viii) strategic value of a Potential Co-Investor to the underlying investment opportunity or a Fund; (ix) capital commitment or potential capital commitment to a Fund of a Potential Co-Investor; (x) the level of demand for participation in such co-investment; (xi) potential conflicts of interest related to the participation of a Potential Co-Investor in the investment opportunity; and (xii) any other factor determined by Prospect Hill Growth Partners to be relevant to the relationship of a particular investment opportunity to a given Potential Co-Investor or such other relevant factor as determined by Prospect Hill Growth Partners in its discretion. Co-investments by investors in the Funds or third parties may be made directly in the applicable portfolio company or may be made through "special purpose vehicles" or other entities formed by Prospect Hill Growth Partners or its affiliates ("Co-Invest SPVs"). Prospect Hill Growth Partners or its affiliates may (but are not obligated to) receive fees, carried interest or other compensation in connection with such co-investments (and the terms of any such fees, carried interest or other compensation may differ from the terms applicable to an investment in the Funds with regard to such matters).

To the extent that multiple Funds hold an interest in the same portfolio company, it is Prospect Hill Growth Partners' policy that disposition opportunities with respect to that investment will, to the extent practicable, be allocated among such Funds on a basis that, in the judgment of Prospect Hill Growth Partners, is fair and equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances, including (without limitation): (i) the relative ownership percentages of the Funds in the applicable portfolio company; (ii) the strategies, guidelines and restrictions of each Fund under its Governing Documents; (iii) other relevant provisions in a Fund's Governing Documents or in other agreements related to the Fund's investment in such issuer; (iv) liquidity needs for each Fund and the investment cycle of a particular Fund; (v) respective holding periods for the investment; (vi) the nature and size of the disposition opportunity; (vii) current and anticipated market conditions; and (viii) tax, legal or regulatory considerations.

Notwithstanding anything herein to the contrary, however, the foregoing allocation policies are at all times qualified by the terms and conditions of the Funds' Governing Documents. To the extent there is a conflict between the provisions in any Fund's Governing Documents and the following policies and procedures, the applicable provisions in the Fund's Governing Documents shall control.

Item 7. Types of Clients

Types of Clients

Prospect Hill Growth Partners generally provides investment advice to pooled investment vehicles, such as the Funds and the Co-Investment Vehicles (as described in Item 4 above). The limited partners of (or investors in) the Funds may include corporations, financial institutions, funds-of-funds, governmental bodies or agencies, insurance companies, endowments, foundations, trusts, estates, high net worth individuals, and pension and profit sharing plans. Prospect Hill Growth Partners may also provide investment advice to Co-Invest SPVs (as described in Item 6 above).

In connection with the formation and management of a Fund, Prospect Hill Growth Partners may form certain related entities for such Fund. Prospect Hill Growth Partners may establish vehicles ("Feeder Funds") to address tax, legal or regulatory issues or requirements of certain investors in such Fund or for other purposes. Prospect Hill Growth Partners may also form "parallel funds" to invest alongside a Fund in all of its investments. In addition, Prospect Hill Growth Partners may form "alternative investment vehicles" or special purpose vehicles (collectively, "AIVs") for the purpose of facilitating certain investments by one or more Funds. Please refer to the Governing Documents of the applicable Fund for more complete details on parallel funds and AIVs. Each Feeder Fund, if formed, would be a limited partner (or equivalent) of a Fund or an AIV and interests in such Feeder Fund would be held by investors who participate in the Fund or an AIV through such Feeder Fund. Please refer to the Governing Documents of the applicable Fund or AIV for more complete details on any Feeder Fund established by Prospect Hill Growth Partners in connection with that Fund.

Minimum Investment Requirements

Interests in the Funds are offered in private placements under the U.S. Securities Act of 1933, as amended. As

a result, Prospect Hill Growth Partners generally offers limited partner (or equivalent) interests in the Funds to a limited number of investors that are “accredited investors” (as defined in Regulation D under the Securities Act) and, in most cases, exclusively to investors that are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act).

In general, the minimum investment commitment required of an investor to participate in a Fund is \$100,000. However, the general partner of each Fund has the discretion to increase or reduce the minimum investment commitment. Investors and prospective investors in each Fund should refer to the Governing Documents of such Fund for more complete information on minimum investment requirements for participation in such Fund. The minimum commitment for an investor in a Co-Investment Vehicle is determined by the applicable managing fiduciary of such Co-Investment Vehicle in its sole discretion.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

As discussed in Item 4, Prospect Hill Growth Partners’ is opportunistic in seeking growth oriented investments in and place particular emphasis on the consumer products, specialty retail and healthcare services companies that have the potential to grow with the help of Prospect Hill Growth Partners’ operating and managerial capabilities.

Methods of Analysis

Prospect Hill Growth Partners seeks to conduct appropriate due diligence with respect to each potential investment. The objective of the due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment. As part of its due diligence, Prospect Hill Growth Partners will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic, and other applicable projections. Projected operating results will normally be based primarily on the judgment of Prospect Hill Growth Partners investment professionals or third party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections.

The Prospect Hill Growth Partners Investment Committee (“PHGPIC”) is responsible for approving all potential investments before they are implemented in a Fund. The PHGPIC is composed of four senior partners of Prospect Hill Growth Partners, each as appointed by Prospect Hill Growth Partners from time to time. The PHGPIC meets as necessary to review potential investments, and generally considers each deal’s background, thesis, valuation, investment considerations, process, expected third party resources (including intended law firm, accounting firm, banks) and initial focal points of due diligence. If the PHGPIC decides to move forward with a potential investment, a final investment memorandum is prepared and presented to the PHGPIC.

Operating partners are closely involved in all aspects of the investment process, including sourcing, due diligence and making recommendations to the PHGPIC regarding ultimate investment decisions. Subsequent

to their role in the initial investment process, the operating partners take the lead on overseeing the execution of the original investment thesis. The operating partner acts as an “internal consultant” to the CEOs of operating companies acquired by a Fund (*i.e.*, portfolio companies) on tactical and strategic issues such as acquisitions, new product introductions, new market opportunities, increasing productivity, personnel issues and overall growth strategy.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that a Fund will be able to make and/or realize any particular investment or that a Fund will be able to generate returns for its investors. In addition, there can be no assurance that any investor will receive any distribution from a Fund. Investing in a Fund involves a risk of loss that investors should be prepared to bear. Investors should carefully consider, among other factors, the following material risks involved with Prospect Hill Growth Partners’ investment strategies. Please refer to the Governing Documents of the applicable Fund for more complete information on the investment strategies employed by such Fund and corresponding risks associated with such investment strategies.

No Assurance of Investment Return. There can be no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

Nature of Investments. A substantial portion of the Fund’s investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Fund will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund’s activities. As a result, the Fund’s performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Middle-Market Companies. The primary investment strategy of Prospect Hill Growth Partners is to invest in middle market companies. While investments in middle market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in larger companies. Companies in the middle market may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent upon additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small-to-medium-sized companies, could make it difficult

for the Fund to react quickly to negative economic or political developments.

Competition for Suitable Investments. Although the Prospect Hill Growth Partners team has been successful in identifying suitable investments historically, the activity of identifying, completing and realizing attractive private equity investments in general is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions and there can be no assurance that a Fund will be able to successfully implement its investment strategy or achieve its investment objective. A Fund may encounter competition from other similarly focused funds formed before or after the establishment of such Fund. Potential competitors also include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. It is possible that competition for appropriate investment opportunities may increase, which could negatively impact a Fund's ability to consummate investments and adversely affect the terms upon which investments can be made. There can be no assurance that the general partner of a Fund will be able to locate and consummate investments that satisfy such Fund's return objectives or realize their values or that it will be able to invest fully its aggregate commitments.

Lack of Operating History. At the time a Fund and its general partner are formed they and have no operating history or investments from which investors can evaluate the potential performance of such Fund.

Dependence on Operational Improvements. A Fund's ability to create value and generate attractive returns for investors will depend on Prospect Hill Growth Partners' ability to accurately target, and then acquire investments in, prospective portfolio companies which may benefit from the operating and managerial skills of Prospect Hill Growth Partners' partners, especially its operating partners. Following investment, a Fund may not be able to implement the operating and managerial changes necessary in one or more portfolio companies to achieve improvement in the financial performance of such companies. If a Fund fails to deploy the operating and managerial skills of Prospect Hill Growth Partners' partners in a manner which creates significant value in one or more portfolio companies, that Fund will likely fail to achieve its targeted rate of return on investments.

Limited Number of Investments. Each Fund is expected to participate in a limited number of investments and, as a consequence, the aggregate return of a Fund may be adversely affected by the unfavorable performance of even a single investment. Although the general partner of each Fund will seek to diversify such Fund's portfolio to the reasonable extent possible within the confines of such Fund's investment strategy, the inability of the general partner of such Fund to achieve this objective could adversely affect the performance of such Fund.

Sector Concentration. In accordance with the experience and expertise of the partners of Prospect Hill Growth Partners, each Fund is expected to focus its investment activities in three sectors: consumer products, healthcare and specialty retail companies. A Fund may be unable to find sufficient suitable investment opportunities in the targeted sectors. Past investment performance of the partners of Prospect Hill Growth Partners and the Funds in businesses in the targeted sectors cannot be relied on as an indicator of a Fund's future performance or success. If typical market values of businesses in the targeted sectors decline, or if the financial performance in general of businesses in such sectors is volatile or poor, a Fund may fail to achieve targeted returns as the value of that Fund's portfolio companies in such sectors may decline and the

risks of investing in companies in such sectors may increase.

Illiquidity of Interests. The interests in a Fund are highly illiquid, have no public market and are not transferable except with the prior consent of the general partner of such Fund, which may be granted, rejected or conditioned. Voluntary withdrawals of interests in a Fund are not permitted, except in limited instances when necessary to comply with laws or regulations applicable to an investor or as otherwise permitted in accordance with such Fund's Governing Documents.

No Right to Control a Fund's Operations. Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of a Fund. In order to safeguard their limited liability for the liabilities and obligations of a Fund, Investors must rely entirely on the General Partner to conduct and manage the affairs of that Fund.

Reliance on Management. The success of a Fund will depend on the ability of Prospect Hill Growth Partners to identify and consummate suitable investments, to improve the operating performance of portfolio companies, and to dispose of investments of a Fund at a profit. The loss of the services of one or more Prospect Hill Growth Partners professionals could have an adverse impact on a Fund's ability to realize its investment objective.

Contingent Liabilities in Disposition of an Investment. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations and warranties about, or provide indemnification concerning, the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. These arrangements may result in contingent liabilities for a Fund and its investors.

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

Coronavirus (COVID-19) and Other Public Health Risks. The recent outbreak of the novel coronavirus (COVID-19) in many countries is adversely impacting global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as an increasing number of cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, social distancing measures and restrictions on travel. Such actions are creating disruption in global demand and supply chains and are adversely impacting a wide range of different industries. While the longer term scope of the potential impact of the novel coronavirus (COVID-19) on global markets is not yet clear, the Coronavirus (COVID-19) pandemic and any other outbreak of any infectious disease or any other serious public health concern, together with any resulting restrictions on travel, social distancing measures or quarantines imposed, could have a negative impact on economic and market conditions and trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of the a Fund's investments and, as a result, the novel coronavirus (COVID-19) presents material uncertainty and risk with respect to a Fund's overall performance and financial results. In addition, the resulting financial and economic market uncertainty may adversely affect the

valuations of investments made by the Funds.

Leverage. The Funds typically will have the ability to borrow from time to time as set forth in the Fund's Governing Documents. Additionally, portfolio companies in which the Fund invests will often have leveraged capital structures. Use of leverage may increase the exposure to adverse economic factors such as significantly rising interest rates, downturns in the economy or deterioration in the condition of any given portfolio company or its industry. Any event that adversely affects the value of a portfolio company held by a Fund may be magnified to the extent that such portfolio company is leveraged. In the event a portfolio company is unable to meet principal and interest payments on its third-party indebtedness, the value of a Fund's investment in such entity could be significantly reduced or even eliminated.

Litigation Risks. A Fund will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the term of such Fund. Legal disputes, involving any or all of the Funds, their affiliates, or their portfolio companies, may arise from a Fund's activities and investments and could have a significant adverse effect on such Fund. Under most circumstances, a Fund will indemnify a general partner of such Fund and its partners for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect such Fund in a variety of ways, including by distracting such Fund's general partner and harming relationships between such Fund and its portfolio company investments or other investors in such portfolio company investments.

Special Risks Associated With Offshore Investments. A Fund may invest a portion of its capital commitments in portfolio companies that are headquartered and that have their principal operations outside the United States. These investments involve special risks not typically associated with investments in the securities of U.S. issuers, including: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to foreign investors in particular; the imposition or modification of controls on foreign currency exchange, repatriation of proceeds, or foreign investment; the imposition or increase of withholding or other taxes on gross sales proceeds, income and gains; potential tax filing requirements in jurisdictions outside of North America; the imposition of potentially confiscatory levels of taxation; price volatility; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; governmental influence on the national and local economies; and fluctuations in currency exchange rates.

Currency Risk. Investments may be made by the Funds in the United States and in foreign countries. The Funds may invest in securities and assets that receive revenues in non-U.S. currencies, and utilize derivatives that provide exposure to non-U.S. currencies. The Funds are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Funds' investments in non-U.S. currency-denominated assets may reduce their returns.

Item 9. Disciplinary Information

Prospect Hill Growth Partners and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither Prospect Hill Growth Partners nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither Prospect Hill Growth Partners nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

Relationships with Related Persons

Prospect Hill Growth Partners and its related persons engage in a broad range of activities, including investment activities for their own account. As a result, the interests of a Fund may conflict with the interests of Prospect Hill Growth Partners or its related persons or one or more other Funds. Certain of these conflicts of interest are described below (although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Fund). Please also refer to the subsection titled “*Participation or Interest in Client Transactions and Personal Trading*” below.

Prospect Hill Growth Partners and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of the general partner of each of the Funds. Prospect Hill Growth Partners and its related persons manage multiple Funds. This can create potential conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the relevant Fund for more complete information on the requisite time commitments (if any) of Prospect Hill Growth Partners and its related persons to the Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of Prospect Hill Growth Partners’ investment allocation policy described in the subsection “*Side-by-Side Management*” in Item 6 above.

Employees of Prospect Hill Growth Partners and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, employees of Prospect Hill Growth Partners may be given access to confidential information relating to companies in which the Funds invest or may otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the Funds. As a result, the Funds may, under certain circumstances, be

prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition may have an adverse effect on the Funds. The above individuals may spend a substantial portion of their time with these related management activities.

From time to time, certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a Fund and one or more other Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies.

Investments by a Fund may cause Prospect Hill Growth Partners and its related persons to become subject to legal or contractual restrictions on their ability to effect transactions for other Funds, for example due to the receipt of non-public information or due to the existence of a control relationship between Prospect Hill Growth Partners and a portfolio company. In addition, it is possible that in a bankruptcy proceeding a Fund's interest in a portfolio company may be adversely affected by another Fund's involvement and such other Fund's actions relating to its investment.

From time to time, a portfolio company of a Fund may engage in commercial transactions or other transactions (such as a merger or acquisition) with a portfolio company of a different Fund. Depending on the nature of the transaction, a transaction between portfolio companies of different Funds can create potential conflicts of interest. Prospect Hill Growth Partners anticipates that material transactions between portfolio companies would generally be on arms'-length terms or on other terms considered equitable to both companies under the circumstances. However, such transactions could benefit the portfolio company of the other Funds (and, therefore, indirectly such other Fund) more than the portfolio company of another Fund.

Selection or Recommendation of Other Advisers

Prospect Hill Growth Partners does not recommend or select other investment advisers for its clients and does not receive compensation from such advisers in a manner that would create a material conflict of interest. Prospect Hill Growth Partners does not have other business relationships with other advisers that create a material conflict of interest.

Other Activities and Relationships

The employees of Prospect Hill Growth Partners and its affiliates may serve on the boards of directors of portfolio companies of the Funds. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of a Fund. Certain employees may also engage in (for their own accounts or the accounts of others) business activities (including investment activities and management of other investment vehicles) outside of their business activities with Prospect Hill Growth Partners that may conflict with the interests of the Funds and their investors, subject to any limitations provided for in the Governing Documents.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Prospect Hill Growth Partners has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 under the Advisers Act. All employees of Prospect Hill Growth Partners must comply with the Code. The policies and procedures set forth in the Code recognize that as an investment adviser, Prospect Hill Growth Partners is in a position of trust and confidence with respect to the Funds and has a duty to place the interests of the Funds before the interests of Prospect Hill Growth Partners and its employees, which duty includes an obligation to address or mitigate both conflicts of interest and any potential conflicts of interest. The Code sets out standards of business and personal conduct for each employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. The Code also recognizes that as an investment adviser registered under the Advisers Act, Prospect Hill Growth Partners has a further obligation to comply with the provisions of the Advisers Act as well as the other U.S. federal securities laws.

The Code includes a code of conduct adopted by Prospect Hill Growth Partners which requires employees to (i) act with integrity, honesty, competence, and in an ethical manner when dealing with the public, regulators, clients, investors, prospective investors and their fellow employees, (ii) adhere to the highest standards with respect to any potential material conflicts of interest with Funds, and (iii) preserve the confidentiality of information that they may obtain in the course of Prospect Hill Growth Partners’ business and use such information properly and not in any way adverse to the interests of any Funds, subject to the legality of using such information. The Code also requires any employee of Prospect Hill Growth Partners to report potential violations of the Code promptly to the Chief Compliance Officer (“CCO”). Prospect Hill Growth Partners provides each employee with a copy of the Code and any amendments thereto, and employees are required to provide a written acknowledgement that they have received the Code, as amended from time to time.

The Code addresses conflicts that could arise from personal securities trading by Prospect Hill Growth Partners’ “access persons.” All Prospect Hill Growth Partners employees are deemed to be access persons under the Code. The Code generally requires access persons to submit an annual report of brokerage accounts and holdings along with an annual acknowledgement and certification stating that the individual will comply with the Code. In addition, the Code requires personnel to submit quarterly transaction reports (or brokerage statements) that detail the individual’s securities transactions for the quarter, and for the CCO to review those reports. The Code also contains restrictions on the use of insider information and non-public information regarding a Prospect Hill Growth Partners client.

Prospect Hill Growth Partners has adopted procedures that are designed to address potential conflicts that could arise when any of its access persons seeks to purchase or sell, for his or her own account, any security held or to be acquired by one or more of its clients. These transactions also may include trading in securities or other assets in a manner that differs from, or is inconsistent with, the advice given to its clients. It is possible that an access person could benefit from trading ahead of a Prospect Hill Growth Partners client. For example, by selling a security before the Prospect Hill Growth Partners client does, an access person could avoid any decrease in market price caused by such client’s transaction. Similarly, an access person could purchase securities that are in short supply or otherwise in demand, thereby increasing the price that a Prospect Hill

Growth Partners client would pay for purchasing the same securities later or causing such client to be unable to fill its entire order.

Prospect Hill Growth Partners may, from time to time, come into possession of material, nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Prospect Hill Growth Partners and its employees are prohibited from improperly disclosing or using this information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client. Accordingly, should any employee of Prospect Hill Growth Partners come into possession of material, nonpublic or other confidential information with respect to any company, issuer or security, they may be prohibited from communicating such information to, or using such information for the benefit of, Prospect Hill Growth Partners' clients. Prospect Hill Growth Partners and its employees have no obligation to disclose the information to or use such information for the benefit of a Prospect Hill Growth Partners client. Prospect Hill Growth Partners and its employees also do not have any responsibility or liability for failing to disclose such information to the clients of Prospect Hill Growth Partners as a result of following Prospect Hill Growth Partners' policies and procedures designed to ensure that Prospect Hill Growth Partners and its employees comply with their obligations with respect to such information.

Further, by reason of their responsibilities to the Funds, and notwithstanding procedural safeguards including restricted securities and watch lists, Prospect Hill Growth Partners may come into possession of confidential or material nonpublic information that would limit its ability to direct the purchase or sale of certain investments. Prospect Hill Growth Partners may, therefore, be restricted from initiating transactions in certain securities on a client's behalf, due to the acquisition of confidential or material nonpublic information, at a time when action would otherwise be taken.

The Code establishes procedures to prevent the misuse of material information by all of Prospect Hill Growth Partners' employees, officers, and directors. Any member, officer, director, or employee of Prospect Hill Growth Partners who fails to observe the above-described policies risks serious sanctions, including dismissal and personal liability.

Prospect Hill Growth Partners keeps records of reports and other information that access persons are required to provide under the Code. The CCO reports on issues that arise under the Code to Prospect Hill Growth Partners' senior management at least annually. Clients and prospective clients can obtain a copy of the Code upon request by contacting Prospect Hill Growth Partners by telephone (617) 753-1100 or by email accountingdept@phgrowth.com.

Participation or Interest in Client Transactions

As general partners, limited partners and/or managing members of the general partners (or other managing fiduciary) of each of the Funds, Prospect Hill Growth Partners and its related persons generally have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds' investments. Moreover, in certain situations, related persons of Prospect Hill Growth Partners may purchase interests in the same portfolio company in which one or more Funds is investing or has invested or a Fund may purchase interests in a portfolio company in which Prospect Hill Growth Partners and/or related persons of Prospect Hill Growth Partners are investing or have invested. All such transactions are subject to

compliance with the Code and to any required consents under a Fund's Governing Documents.

Prospect Hill Growth Partners and/or certain related persons of Prospect Hill Growth Partners may, from time to time, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain "warehousing" transactions, provided that the sale is consistent with Prospect Hill Growth Partners' fiduciary obligations to the Funds and the Governing Documents of such Funds. Such transactions will be fully disclosed and the written consent of the appropriate Fund (which, in certain circumstances, may be provided by the Fund's advisory committee) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3). In addition, investment guidelines and the Governing Documents of a Fund may limit principal transactions on a more restrictive basis than the Advisers Act.

Moreover, Prospect Hill Growth Partners may cause a Fund to engage in "cross transactions" via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with Prospect Hill Growth Partners' fiduciary obligations to each Fund participating in the cross transaction. Typically, the Governing Documents of a Fund addresses permissible cross transactions and any applicable disclosure and/or Fund consent requirements.

While Prospect Hill Growth Partners endeavors at all times to act in the best interests of the Funds, investors should be aware that such transactions create a potential conflict of interest.

Co-Investment Program

Certain employees, consultants, advisors, officers, and directors of Prospect Hill Growth Partners and their related persons (with respect to each Fund, a "Co-Investment Group") are given the opportunity, through a Co-Investment Vehicle, to co-invest on a side-by-side basis with each Fund. Subject to tax, legal and regulatory accounting and similar considerations, the relevant Fund and Co-Investment Vehicle are generally required to invest in and dispose of portfolio investments of the relevant Fund at the same time and on substantially the same terms and conditions. In addition to participating in co-investments with a Fund through the relevant Co-Investment Vehicle, operating partners who provide services to a portfolio company may generally make co-investments in such portfolio company as described in the Fund Governing Documents of the relevant Fund. Please also refer to Item 5 ("*Co-Investment Vehicles*") for additional information regarding the allocation of common expenses between Co-Investment Vehicles and the Funds.

Prospect Hill Growth Partners' co-investment program is designed to align the interests of its personnel with those of its clients, the Funds. The members of each Co-Investment Group have their personal monies at risk alongside the investors of the Funds, thereby creating an alignment of interests with the investors of the Funds. These arrangements do, however, also present potential conflicts of interest. For example, members of the Co-Investment Groups may have an incentive to recommend the acquisition or disposition of assets based on their personal interests rather than the best interests of the applicable Fund. In addition, the co-investors who participate in a Co-Investment Vehicle may not be financially able to meet capital calls. Prospect Hill Growth Partners has implemented policies and procedures, including the Code, that are reasonably designed to help

mitigate these conflicts and ensure that Prospect Hill Growth Partners personnel act in the best interests of Prospect Hill Growth Partners' clients at all times.

Item 12. Brokerage Practices

Discretionary Brokerage

Prospect Hill Growth Partners seeks to obtain best price and execution for all transactions made on behalf of the Funds, to trade assets in a manner that is fair to all clients, and to exercise diligence and care throughout the transaction process. Prospect Hill Growth Partners typically acquires and disposes of securities on behalf of the Funds in privately negotiated purchase and sale transactions. When acquiring a portfolio company for a Fund, Prospect Hill Growth Partners typically negotiates directly with the seller of the asset, or through a broker that has been exclusively retained by the seller for the disposition of the asset. Because the Funds typically invest in assets that may be purchased from only one or a small number of counterparties, Prospect Hill Growth Partners may not be able to negotiate terms that are as favorable as those that may be available in a market with more potential counterparties.

On occasion, Prospect Hill Growth Partners will recommend the purchase of securities for which there is a liquid market or provide strategic or other related advice with respect to the sale of such securities. In such circumstances, Prospect Hill Growth Partners will seek to execute the transaction with the broker-dealer that provides best price and execution of such transaction. In seeking best execution, Prospect Hill Growth Partners may consider a variety of factors, including: (i) the experience and skill of the broker's securities traders; (ii) the broker's accessibility to primary markets and quotation services; (iii) whether a broker makes a market in that security; (iv) a broker's past history of successful, prompt and reliable execution of client trades; (v) the financial strength and stability of the broker; (vi) the broker's administrative efficiency; (vii) commission rates; (viii) the overall net economic result to a client (involving both price paid or received and any commissions and other costs paid); (ix) the security price and its volatility; (x) the size of the transaction, including the ability to effect the transaction at all where a large block is involved; (xi) the broker's availability to execute possibly difficult transactions in the future; and (xii) receipt of research services.

Although Prospect Hill Growth Partners generally seeks to pay the best price, it will not necessarily always do so. Transactions may involve specialized services or considerations (such as the type of assets the Fund is seeking to purchase or sell, or the availability of financing opportunities to the applicable Fund) that must be considered when selecting a counterparty and thereby entail higher markups or commissions than would be the case with transactions that do not involve any specialized services or considerations.

Research and Soft Dollar Benefits

Prospect Hill Growth Partners does not engage in soft dollar arrangements with respect to securities transactions for the Funds.

Brokerage for Client Referrals

In determining its selection of broker-dealers, Prospect Hill Growth Partners does not consider whether Prospect Hill Growth Partners receives referrals of potential investors from a broker-dealer or third party.

Client Directed Brokerage

Prospect Hill Growth Partners has discretionary authority to select the brokers or dealers in connection with securities transactions of the Funds, and investors are not permitted to direct Prospect Hill Growth Partners to use a particular broker or dealer to execute portfolio transactions on behalf of a Fund.

Trade Aggregation

If Prospect Hill Growth Partners disposes of any investment in securities that is owned by more than one Fund, Prospect Hill Growth Partners may sell the securities in an aggregated order, in which case, the aggregated order will be allocated among the Funds on a *pro rata* basis, unless in Prospect Hill Growth Partners' good faith judgment a different allocation method is more appropriate under the circumstances. Such a *pro rata* allocation will be adjusted for and take into account to the extent applicable, specific guidelines, objectives and restrictions of each Fund's account, the total amount of funds under management (including drawn and undrawn commitments), the availability of or need for cash, and any applicable provisions in the Funds' Governing Documents. A *pro rata* allocation should result in each client receiving the average price.

Item 13. Review of Accounts

Review of Client Accounts

Investments made by the Funds are generally long-term in nature and are illiquid. Accordingly, the review process generally is not directed towards short-term sell decisions. Prospect Hill Growth Partners monitors all investments on behalf of each Fund on an ongoing basis. A review will be made at the time of investment to ensure that the investment is in compliance with the investment objective of the Fund. Prospect Hill Growth Partners then manages the investment according to the business plan then in effect for the investment. As part of its advisory services to the Funds, Prospect Hill Growth Partners prepares a formal review and valuation of the investments in the account of each Fund on a quarterly basis. Prospect Hill Growth Partners analyzes whether the investment is performing as anticipated, highlights any positive or negative information related to the investment and takes any necessary action based on its analysis. In addition to formal quarterly reviews, Prospect Hill Growth Partners continuously monitors investments of the Funds to consider financing opportunities and sales opportunities, or to develop additional asset management strategies for the investments.

Reports to Clients

The general partners of each Fund distribute quarterly and annual written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, a listing of investments held by the Fund and the audited financial statements of the Fund. The quarterly reports generally contain an individual capital account statement as of the end of such fiscal quarter, a listing of investments held by the Fund and unaudited financial statements of the Fund for the fiscal quarter.

Investors are requested to refer to the Governing Documents of each Fund for further information on the reports provided by a particular Fund to its investors.

Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

From time to time, in connection with investments made by certain Funds, Prospect Hill Growth Partners or its affiliates or supervised persons may receive directors, consulting, monitoring, transaction, breakup and/or similar fees or other remuneration paid in cash or in kind from portfolio companies in which one or more of the Funds may invest or propose to invest. To mitigate potential conflicts of interest, Prospect Hill Growth Partners will generally offset such benefits against advisory fees payable by the applicable Fund or otherwise remit such benefits to the limited partners of such Fund to the extent required by such Fund's Governing Documents. Investors are requested to refer to the Governing Documents of each of the Funds for complete information on the additional compensation received by Prospect Hill Growth Partners or its affiliates or supervised persons in connection with a particular Fund's investments and the amount of the applicable advisory fee offset. Prospect Hill Growth Partners believes that the advisory fee offset provisions above, to the extent applicable to a particular Fund, and the substantial equity commitment by Prospect Hill Growth Partners and its affiliates in the Funds helps to mitigate conflicts of interest arising from the receipt by Prospect Hill Growth Partners and its affiliates and supervised persons receipt of such compensation from portfolio companies.

Third Party Compensation for Client Referrals

Prospect Hill Growth Partners and related entities of Prospect Hill Growth Partners may enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing investors to a Fund. Any sales charge associated therewith will ultimately be payable by Prospect Hill Growth Partners and/or its related entities, either directly or through an offset of the advisory fee payable by the relevant Fund to Prospect Hill Growth Partners. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. Moreover, as described above, Prospect Hill Growth Partners does not consider referrals of investors to the Funds in determining its selection of brokers to execute trades on behalf of the Funds. The receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to Prospect Hill Growth Partners and the Funds.

Item 15. Custody

Prospect Hill Growth Partners uses unaffiliated, qualified, third-party custodians to hold the assets of the Funds in a manner that it believes complies with current SEC standards and guidance. Nevertheless, Prospect Hill Growth Partners will generally be deemed to have custody of the assets of the Funds as a result of its position as an affiliate of the general partner of each Fund.

It is Prospect Hill Growth Partners' general policy to cause the annual financial statements of each Fund with assets over which Prospect Hill Growth Partners is deemed to have "custody" to be audited annually and to distribute such audited financial statements, prepared in accordance with U.S. generally accepted accounting

principles (“GAAP”), to investors in such Fund no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, Prospect Hill Growth Partners generally will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

Item 16. Investment Discretion

Subject to the investment objectives, guidelines, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, Prospect Hill Growth Partners has discretionary authority over the investment activities of the Funds, including discretionary authority to buy and sell securities or other investments on behalf of the Funds and to determine the type, amount, and price of securities and investments to be bought and sold on behalf of such Fund, including the selection of, and commissions paid to, broker-dealers.

The terms upon which Prospect Hill Growth Partners serves as an investment manager with respect to any Fund are established at the time that such Fund is formed and generally are set forth in such Fund’s Governing Documents. Prospect Hill Growth Partners’ investment advice is provided directly to the Funds and not to investors in the Funds individually. Prospect Hill Growth Partners is not required to contact investors in the Funds prior to transacting any business for the Funds.

To invest in a Fund, an investor must execute a subscription agreement (or similar agreement) with such Fund. Investors in a Fund may seek to impose limitations on Prospect Hill Growth Partners’ authority with respect to such Fund through “side letter” or similar agreements, and Prospect Hill Growth Partners, in its discretion, may choose to accept limitations or restrictions that it considers to be reasonable and consistent with the general investment strategy described in such Fund’s Governing Documents.

Item 17. Voting Client Securities

Because Prospect Hill Growth Partners has, or will accept, authority to vote securities held by a Fund, it has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) that have been designed to ensure that Prospect Hill Growth Partners complies with the requirements of the Advisers Act and reflect Prospect Hill Growth Partners’ commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the Funds.

When exercising its voting authority over client securities, Prospect Hill Growth Partners considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. Prospect Hill Growth Partners votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and in a manner consistent with the Proxy Voting Policies and Procedures and Prospect Hill Growth Partners’ fiduciary duties to the Funds.

Prospect Hill Growth Partners reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Fund. As a result, depending on the Fund’s particular circumstances, Prospect Hill Growth Partners may vote one Fund’s securities differently than it votes those of

another Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Prospect Hill Growth Partners may determine that it is in a Fund's best interest for Prospect Hill Growth Partners to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, Prospect Hill Growth Partners reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Prospect Hill Growth Partners, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Prospect Hill Growth Partners takes steps to ensure that its voting decision is based on the best interests of the applicable Funds and is not a product of the conflict. Prospect Hill Growth Partners may, at its discretion, (A) seek the advice of the applicable advisory committee in voting such security (if any); (B) disclose the conflict of interest to the limited partners of the Fund and defer to the Fund's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; (D) exclude the person with whom the conflict exists from the decision on voting the securities and/or (E) take such other action in good faith (in consultation with Prospect Hill Growth Partners' outside counsel) which would serve the best interest of the Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Prospect Hill Growth Partners will deliver to each limited partner of a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Fund.

Item 18. Financial Information

Prospect Hill Growth Partners has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.