

Part 2A of Form ADV: Firm Brochure

ARCAPITA INVESTMENT MANAGEMENT US INC.

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This brochure provides information about the qualifications and business practices of Arcapita Investment Management US Inc. ("Arcapita US"). If you have any questions about the contents of this brochure, please contact us at (404) 920-9000. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Arcapita US is available on the SEC's website at www.adviserinfo.sec.gov.

Arcapita US is registered as an investment adviser with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

Not applicable.

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Item 4: Advisory Business

Arcapita Investment Management US Inc. ("Arcapita US") is an investment advisory firm based in Atlanta, Georgia. Arcapita US is a wholly-owned indirect subsidiary of Arcapita Group Holdings Limited and part of a global group of affiliated financial services firms (the "Arcapita Group"). The Arcapita Group's headquarters are located in Bahrain.

Arcapita US is the US-based investment advisory arm of the Arcapita Group and focuses on making private equity investments in US companies on behalf of the Arcapita Group and its clients. Arcapita US is also engaged in making real estate investments in the US on behalf of the Arcapita Group and its clients. However, these real estate investment activities are not covered in this Brochure.

Arcapita US provides investment advice to the Arcapita Group on a non-discretionary basis pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement") with Arcapita Management Limited ("AML"), an offshore affiliate of the Arcapita Group. Pursuant to the Sub-Advisory Agreement, Arcapita US is responsible for providing the following sub-advisory services to AML on an ongoing basis: (i) sourcing potential US investment opportunities, (ii) conducting due diligence and investment analysis of potential investment opportunities, (iii) making investment recommendations to AML, (iv) implementing such investment recommendation as are approved, (v) monitoring portfolio companies, (vi) recommending exit strategies to AML, and (vii) implementing such exit strategies as are approved.

Each of the private equity portfolio investments generated by Arcapita US (a "Portfolio Company") are typically held in a separate single asset fund sponsored by the Arcapita Group (each a "Fund" and, collectively, the "Funds"). The Funds are organized and operated in accordance with Islamic rules and principles. At the onset, the Arcapita Group will typically hold the entire interest in a Fund (and indirectly the Portfolio Company). At a later date, the Arcapita Group will typically establish feeder funds (the "Syndication Vehicles") through which a portion of the Arcapita Group's interest in a Fund will be sold to other third party investors. Employees of the Arcapita Group (including employees of Arcapita US) may also invest directly or indirectly in the Funds or their Portfolio Companies.

Arcapita US tailors its investment advisory activities to comply with the instructions given to it by AML pursuant to the Sub-Advisory Agreement and with the investment objectives, guidelines and restrictions set forth in the governing documents for each Fund (the "Fund Governing Documents"). Arcapita US does not tailor its investment advice to the needs of any particular investor in a Fund or Syndication Vehicle. However, in accordance with common industry practice, the Arcapita Group, a Fund or a Syndication Vehicle may from time to time enter into a "side letter" or similar agreement with an investor pursuant to which the investor is granted specific rights, benefits or privileges that are not generally made available to all investors. See "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*" below for more details.

The Arcapita Group may, in its sole discretion, offer opportunities to one or more institutional or strategic investors (each, a "Co-Investor") to co-invest in a Fund's Portfolio Company in a typical "club deal" arrangement. The terms of each co-investment will be as agreed between

the Arcapita Group and the relevant Co-Investor and could be different from those under which the Fund makes its investment. For example, Co-Investors may negotiate preemptive rights, rights of first approval, restrictions on transfer, board seats, blocking/consent rights with respect to certain matters and buy/sell rights and/or the right to assume control upon the occurrence of certain events. See *“Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss”* below for more details.

As of the date of this Brochure, Arcapita US had approximately \$200 million in regulatory assets under management, all of which are managed on a non-discretionary basis.

Item 5: Fees and Compensation

Fund Fees

Each third party investor in a Syndication Vehicle generally pays the Arcapita Group an ongoing management fee (the “Management Fee”) based on an annualized percentage of the amount of capital invested by such third party investor, as set forth in more detail in the offering materials and other governing documents for the Syndication Vehicle (the “Syndication Vehicle Governing Documents”). The Management Fee is initially charged at the time the third party investor invests in the Syndication Vehicle in an amount equal to 5 years’ worth of Management Fees (the anticipated holding period for the Portfolio Company held by a Fund). If a Fund’s Portfolio Company is exited earlier than the anticipated 5-year holding period, third party investors will be refunded any paid but unearned Management Fees. Should the holding period for a Portfolio Company be extended beyond 5 years, the Arcapita Group will continue to charge Management Fees to the third party investors on an annual basis at the same rate.

Third party investors may also be charged a one-time subscription fee equal to a percentage of the capital they invest in a Syndication Vehicle at the time they invest in a Fund, as described in more detail in the Syndication Vehicle’s Governing Documents.

In addition to the Management Fees and subscription fees described above, the Arcapita Group is entitled to receive a performance fee from the third party investors in a Syndication Vehicle after certain performance hurdles have been met, as further described in the applicable Syndication Vehicle’s Governing Documents. Such performance fee represents a portion of each Syndication Vehicle’s net investment profits.

The management, subscription and performance fees are generally subject to waiver or reduction by the Arcapita Group with respect to some or all of a Syndication Vehicle’s investors in the Arcapita Group’s sole discretion, as further described in each Syndication Vehicle’s Governing Documents.

Fund Expenses

Each Fund and Syndication Vehicle bears all costs and expenses incurred in connection with the establishment of the entity and the offering of the interests in the vehicle (including but not limited to all regulatory fees, legal, accounting and other professional fees, travel and

accommodation expenses, printing costs, marketing costs, and other similar costs). In addition, each Fund, Syndication Vehicle and Portfolio Company will incur ongoing expenses such as legal counsel fees, government fees, annual maintenance fees, audit fees and other normal operating expenses. Such expenses may include, without limitation, Cayman Islands and Delaware statutory compliance fees, the fees of the members of the Fund's Board of Directors, the local administrator, ongoing legal and auditing fees, consulting and reporting expenses, investment acquisition and disposition expenses, reasonable travel and other expenses in connection with attending annual and other meetings with or on behalf of the Fund, the Board of Directors or any committee thereof and in connection with portfolio investments. These expenses will be paid either directly by each such entity or as reimbursements to the Arcapita Group, if the Arcapita Group has advanced such expenses. Any Co-investors in a Portfolio Company will bear its pro-rata portion of the relevant expenses.

The expenses payable by the Funds, Syndication Vehicles and Portfolio Companies referred to above include services fees payable to members of the Arcapita Group. See "Management Agreements" below and *"Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss"* below for more details.

Investors and prospective investors in a Syndication Vehicle should refer to such Syndication Vehicle's and underlying Fund's Governing Documents for more detailed information concerning the fees, carried interest and other expenses that such Fund and Syndication Vehicle will bear.

Sub-Advisory Agreement

As noted above, Arcapita US has entered into the Sub-Advisory Agreement with AML, pursuant to which Arcapita US provides ongoing non-discretionary investment advisory services to AML in connection with the management of the Funds. In consideration for such services, Arcapita US receives a sub-advisory fee payable quarterly in arrears equal to a percentage of the Management Fees attributable to such quarter payable to the Arcapita Group (the "Sub-Advisory Fee"). The Sub-Advisory Fee is not in addition to any fees payable to the Arcapita Group by a Fund or any Syndication Vehicle.

Management Agreements.

Arcapita US generally enters into a management agreement (a "Management Agreement") with each Portfolio Company, pursuant to which Arcapita US agrees to provide management support and financial consulting services to the Portfolio Company. As compensation for such services the Portfolio Company pays Arcapita US a quarterly monitoring fee equal to the greater of a fixed percentage of the Portfolio Company's consolidated EBITDA or an annual minimum fee amount. In addition to the quarterly monitoring fee, Arcapita US may also receive additional fees from the Portfolio Company in connection with financings, add on and divestiture transactions that Arcapita US assists the portfolio company in arranging, as well as a one-time advisory fee in connection with the initial acquisition of the Portfolio Company. Any Sub-Advisory Fees payable to Arcapita US under the Sub-Advisory Agreement are offset 100% by any fee revenue that Arcapita US receives from Fund portfolio companies pursuant

to the Management Agreements (“Management Agreement Revenue”). However, such Management Agreement Revenues are not used to offset any management, subscription or performance or other fees payable by the Funds or any Syndication Vehicle to the Arcapita Group. Consequently, the Management Agreement Revenue payable by the Fund’s Portfolio Companies to Arcapita US represent an additional expense that is born indirectly by the investors in the Funds and Syndication Vehicles.

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

As noted in Item 5 above, the Arcapita Group is entitled to receive performance fees from each Syndication Vehicle after certain performance hurdles have been met. These performance-based carried interest distributions create conflicts of interest, including an incentive for Arcapita US, which is an affiliate of the Arcapita Group, to engage in riskier or more speculative investments on behalf of a Fund than might otherwise be the case. In addition, the Arcapita Group may have an incentive in allocating investment opportunities to favor Funds or other clients with a potential for performance-based compensation or greater performance-based compensation over clients with no performance-based compensation or lesser performance-based compensation. However, this potential “side-by-side” conflict is largely mitigated by the fact that the Arcapita Group’s current practice is to invest in each Portfolio Company through a single asset Fund representing the Arcapita Group’s entire interest in such Portfolio Company.

Item 7: Types of Clients

Arcapita US’s only client is AML and, indirectly, the Funds. The Funds are all organized offshore as Cayman Island limited companies. Neither the Funds nor the Syndication Vehicles have any investors that are US persons (other than certain employees of Arcapita US), nor do any of the Funds or Syndication Vehicles engage in any public or private securities offerings in the US.

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

Methods of Analysis; Investment Strategies

Arcapita US’s investment strategy focuses on acquiring controlling or significant positions in middle market private equity investment opportunities in the United States. As a result, Arcapita US typically targets investment opportunities of between \$20 million to \$100+ million in size in the consumer, business services, and transportation and logistics industry sectors.

Arcapita US looks for certain key characteristics in a prospective Portfolio Company investment opportunity, including (i) revenue of between \$20 million and \$500 million, (ii) EBITDA of between \$5 million and \$50 million, (iii) a talented management team, (iv) strong growth potential, and (v) high free cash flow.

Arcapita US also evaluates potential exit alternatives for prospective Portfolio Company investments as part of its pre-acquisition due diligence process. Final decisions regarding exit timing and methods are based on each Portfolio Company's particular business plan as well as the economic, market or industry trends and an assessment of the capital markets.

Post-investment, Arcapita US monitors Portfolio Companies closely, regularly working with management and regularly receiving performance reports. Furthermore, Arcapita US personnel serve on the board of directors of its Funds' Portfolio Companies. This contact is intended to permit Arcapita US to assess opportunities for Portfolio Company growth, identify the optimal realization point and find suitable exits.

Risk Factors

The investment strategies pursued by Arcapita US involve a number of significant risks. These investment strategies may be deemed to be speculative. Such investment strategies are not intended to be utilized as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

- The investment strategies pursued by Arcapita US on behalf of the Arcapita Group for each Fund involve making illiquid private investments in a single Portfolio Company. As a result, the performance of a Fund is completely dependent on the performance of such Fund's Portfolio Company. The failure of that Portfolio Company could result in a complete loss to the investors in the Fund.
- The businesses of the Portfolio Companies in which the Funds invest are subject to significant risks, including strategic, financial or other challenges. Some of these Portfolio Companies may be highly leveraged, and exit strategies may be uncertain at the time an investment in the Portfolio Company is made. The success of these investments is highly dependent on the ability of management of the Portfolio Companies to successfully navigate these and other challenges.
- Due to the fact that the Funds are organized as single asset Funds, each Fund is entirely concentrated in a single industrial sector. In such circumstances, a Fund's performance depends heavily on the economic prospects of that sector, which will be influenced by a number of market and other factors that are beyond Arcapita US's ability to control.
- A public health crisis, such as the COVID-19 pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact a Fund and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, may adversely impact the business of a Fund's Portfolio Company. In addition, such disruptions can negatively impact the ability of Arcapita US's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect the Fund and Arcapita US's ability to

find financing for a Fund's Portfolio Company or identify potential purchasers of a Fund's Portfolio Company, all of which could have material and adverse impact on a Fund's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to a Fund's performance.

- Investments in private funds are illiquid, and interests in a Fund or Syndication Vehicle may not be transferred without the prior consent of such entity's board of directors, which is a member of the Arcapita Group, and the satisfaction of certain other conditions. Investors in a Fund or Syndication Vehicle must be able and prepared to maintain their investments in such entity over the entire life of such investment vehicle.
- Investments in the Syndication Vehicles are passive investments. Third party investors in the Syndication Vehicles have no control over the day-to-day operations of such vehicles and limited rights to protect themselves if they are dissatisfied with the manner in which a Fund or Syndication Vehicle is being operated. Third party investors in a Syndication Vehicle will be highly dependent on the investing skills and management abilities of Arcapita US and the Arcapita Group to achieve success.
- The valuation of the Portfolio Companies in which the Funds invest is a difficult task that relies heavily on business judgment. There can be no assurance that a Fund will be able to realize its investment in a Portfolio Company at a price that is commensurate with the value at which such investment has been carried.
- Each Fund is managed in a manner that is consistent with the best interests of the Fund, but which is not necessarily consistent with the best interests of each individual investor in the Fund or applicable Syndication Vehicle. For example, Arcapita US may structure investments so as to maximize tax efficiency for a Fund, but which may not be the most tax advantageous structuring possible for an individual investor in the Fund or applicable Syndication Vehicle, depending on that investor's own particular facts and circumstances.
- Arcapita US's business depends heavily on the continued involvement of its investment team and other senior personnel. Should such personnel leave Arcapita US, this could have a material adverse effect on Arcapita US's ability to successfully manage its investment program.

Potential Conflicts of Interest

- The Arcapita Group and its directors and employees will have various interests in, and will serve in different capacities with regards to the Funds, the Syndication Vehicles and their Portfolio Companies, including holding direct and indirect investments in the Funds and their Portfolio Companies; seats of the Board of Directors of the Funds and their Portfolio Companies; providing certain advisory brokerage, administrative services to the Funds and their Portfolio Companies (for which a fee will be charged); and possibly as provider of Shari'ah compliant financing to the Funds and their Portfolio Companies (for which a fee will be charged). The terms of the agreements and arrangements under which the Arcapita Group will

provide the indicated services and charge the indicated fees have been, or will be, unilaterally established by the Arcapita Group and are not, and will not be, the result of arm's length negotiations. Further, the price at which interests in the Syndication Vehicles are offered for sale to third party investors are unilaterally established by the Arcapita Group and are generally higher than the price for direct and indirect interests in the Funds paid by the Arcapita Group, or offered to its affiliates or employees or other investment companies sponsored by the Arcapita Group.

- Conflicts of interest may arise between (i) the duties of the Arcapita Group and its employees to the Funds, the Syndication Vehicles and their Portfolio Companies, and (ii) the interests of the Arcapita Group and its employees, as principals in the investment. The Arcapita Group employees who will play key roles in managing the investment in a Portfolio Company may spend a significant portion of their time on matters other than, or only tangentially related to, the investment. In particular, such officers and employees will spend substantial time and resources sourcing, monitoring, and disposing of other Arcapita Group investments. Conflicts of interest may arise in allocating management time, services, or other resources among the Portfolio Companies and such other investments. When such conflicts of interest arise, the Arcapita Group will attempt to evaluate and resolve such conflicting interests in a manner that it believes is fair to all affected parties.
- Certain investors in the Funds and the Syndication Vehicles may wish to sell their investments before others, thus creating an additional investment opportunity for the remaining investors. The Funds have been established as single-purpose investment vehicles to hold their respective shares of the Portfolio Companies. In the event an investor offers such investor's shareholding(s) in a Fund or syndication Vehicle to a member of the Arcapita Group, the Arcapita Group may take up some or all of the offered interests for its own account, without obligation to the Funds or the other investors in the Funds or Syndication Vehicles, subject to certain conditions. Notwithstanding the above, the Arcapita Group may, in its sole discretion, bring the investment opportunity described herein to the attention of other investors in the Funds or Syndication Vehicles, who may invest separately, apart from their then existing holding, subject to conditions. The Arcapita Group will charge buyers and sellers of interests in a Fund or Syndication Vehicle a fee equal to a percentage of the transaction value.
- In addition, excess cash held in the Funds, Syndication Vehicles and their Portfolio Companies may be invested in investment products sponsored, administered, managed, operated or controlled by the Arcapita Group. Conflicts of interest may arise between (i) the duties of the Arcapita Group and its employees to the Funds, Syndication Vehicles and their Portfolio Companies; and (ii) the interests of the Arcapita Group and its employees, as principals, sponsors, administrators, managers, operators and controllers of such investment products. When such conflicts of interest arise, the Arcapita Group will attempt to evaluate and resolve such conflicting interests in a manner that it believes is fair to all affected parties.
- In the course of sourcing investments, Arcapita US and the Funds will be required to

enter into confidentiality agreements with third party firms or Portfolio Companies that may prohibit the Funds from publicly disclosing sensitive information relating to the third party firm, their investments and the Portfolio Companies. These arrangements could either restrict the information that the Funds are permitted to share with their investors or could possibly result in liabilities for the Funds where an investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act (“FOIA”) or other similar state or local laws, publicly discloses such information in response to an information request or otherwise.

- If “in-kind” distributions are made to a Fund’s investors of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the applicable Fund Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.
- The investors in the Funds and Syndication Vehicles may include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax or other interests. The investors may have conflicting investment, tax and other interests with respect to their investments in the Funds and Syndication Vehicles. As a consequence, conflicts of interest will arise in connection with the recommendation made by Arcapita US, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, Arcapita US will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Any investment in a Fund is an illiquid long-term investment. No guarantee or representation can be made that a Fund will achieve its investment objective or that investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents with their professional advisors for full details on each applicable Fund’s investment, operational and other actual and potential risks.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Neither Arcapita US nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Arcapita US nor any of its directors, officers or principals is registered, or

has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

As noted above, Arcapita US is a member of the Arcapita Group, a global group of affiliated financial services companies whose headquarters is based in Bahrain. Arcapita US provides non-discretionary investment sub-advisory services with respect to private equity investments located in the US to various Funds sponsored by the Arcapita Group. Other members of the Arcapita Group provide a variety of other financial services to the Funds and to the Portfolio Companies, some of which create conflicts of interest. See *“Item 8: Methods of Analysis, Investment Strategies and Risk of Loss”* for more detail.

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

Arcapita US has adopted a code of ethics (the “Code”) that establishes standards of ethical conduct for its employees and sets forth policies and procedures for addressing potential conflicts of interest that may arise between Arcapita US’s personnel and the Funds. The Code is based on the principle that Arcapita US owes a fiduciary duty to its clients and that all of Arcapita US’s personnel must therefore avoid any activities, interests or relationships that might present an actual or potential conflict of interest with Arcapita US’s clients or otherwise interfere with Arcapita US’s ability to make decisions in the best interests of its clients. Among other things, the Code addresses personal trading activities, receipt of gifts and business entertainment, outside business activities and political contributions.

As a general rule, Arcapita US does not buy or sell securities of public companies. However, in the ordinary course of its business, Arcapita US will from time to time come into possession of material non-public information relating to public and private companies. The Code requires Arcapita US to maintain a “Restricted List” of companies in whose securities Arcapita US’s personnel are generally prohibited from trading. The companies on the Restricted List include (i) any Portfolio Company held by the Funds, (ii) any public or private company which is actively under consideration as an investment for the Funds, (iii) any public or private company in which Arcapita US has entered into a non-disclosure, confidentiality or standstill agreement, and (iv) any other public company concerning which Arcapita US may be in a position to receive material non-public information as a result of a special relationship Arcapita US has with such public company. Arcapita US’s investment professionals are required to report all of their personal holdings in securities and personal securities transactions to Arcapita US’s CCO on a quarterly basis. In addition, Arcapita US personnel are required to pre-clear any personal securities transaction they may wish to make in securities issued in an initial public offering or private placement and in any securities issued by a company on the Restricted List. In general, personal securities transactions in any company that is on the Restricted List will not be approved in the absence of extraordinary circumstances.

Arcapita US’s personnel are also prohibited from giving or receiving gifts or business entertainment that might call into question the exercise of such person’s ability to exercise independent judgement on behalf of Arcapita US’s clients. Under the Code, gifts and business entertainment that exceed certain thresholds must be pre-cleared with Arcapita US’s CCO.

Under the Code, Arcapita US's personnel are also required to pre-clear any outside business activities they may wish to engage in and any political contributions they may wish to make.

Arcapita US's employees must certify annually that they have read and agree to comply in all respects with the Code and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code.

The paragraphs above only represent a summary of key provisions in the Code. Arcapita US will provide a copy of the entire Code to any client or prospective client (including any investor therein) upon request.

Item 12: Brokerage Practices

Arcapita US's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same manner as they do for trades in public securities. With respect to such private transactions, Arcapita US believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

However, Arcapita US may from time to time purchase or sell publicly-traded securities. In such circumstances, Arcapita US considers all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker's execution abilities, commission rates, financial responsibility and responsiveness.

Arcapita US does not maintain relationships with broker-dealers that feature soft-dollar benefits or referral arrangements.

Item 13: Review of Accounts

Arcapita US monitors each of the investments it makes in portfolio companies on an ongoing and continuous basis.

Generally, as set forth in the Fund and Syndication Vehicle Governing Documents, the investors in the Funds and Syndication Vehicles will receive periodic reports with operational and financial updates on the performance of each Fund's Portfolio Company.

Item 14: Client Referrals and Other Compensation

Please refer to "*Item 5: Fees and Compensation*" for a description of the compensation that Arcapita US may receive from the Funds and their Portfolio Companies.

Item 15: Custody

Arcapita US will conduct all business operations in such a way that client cash and securities, other than privately offered, non-certificated securities, will be preserved in the safekeeping of independent qualified custodians.

With respect to each Fund and Syndication Vehicle, an independent public accountant audits such Fund's and Syndication Vehicle's financial statements annually, and such audited financial statements are distributed to the investors in each such Fund or Syndication Vehicle.

Item 16: Investment Discretion

As noted above, Arcapita US is not authorized to exercise investment discretion over the assets in the Funds.

Item 17: Voting Client Securities

The Funds are primarily invested in privately-held portfolio companies that do not typically issue proxies. Moreover, Arcapita US does not have discretionary voting powers over the Portfolio Companies in which the Funds invest. However, in the event proxies have to be voted, Arcapita US may provide recommendations to the Arcapita Group as to how such proxies should be voted. In doing so Arcapita US will recommend voting in such a manner as Arcapita US believes will maximize value for the Funds. In making such recommendations, Arcapita US and its employees seek to avoid any direct or indirect conflict of interest raised by such voting decision.

Item 18: Financial Information

Arcapita US is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. Arcapita US has never been the subject of a bankruptcy petition.