

**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**

**WIND POINT ADVISORS LLC<sub>DBA</sub> WIND POINT PARTNERS**

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**March 30, 2020**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Wind Point Advisors LLC (“Wind Point Advisors”). If you have any questions about the contents of this Brochure, please contact us at (312) 255-4800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

Wind Point Advisors is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Wind Point Advisors is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

This Brochure serves as an annual update to the previous Wind Point Advisors' Brochure, which was dated October 2, 2019. There have been no material changes since the filing of the previous Brochure. This Brochure contains typical annual updating changes, including routine updates with respect to certain investment vehicles and certain enhanced disclosures. We encourage all recipients to read this Brochure carefully in its entirety.

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## **Wind Point Advisors LLC Brochure**

### **Section 1. Advisory Business**

Wind Point Advisors, the registered investment adviser, is a Delaware limited liability company. Wind Point Advisors and its affiliated investment advisers provide “investment supervisory services” to their clients, which consist of private investment-related funds. Wind Point Advisors was organized in May 1999. Wind Point Advisors is controlled by its managing directors, who are Nathan Brown, Paul Peterson, Konrad Salaber, David Stott, and Alex Washington, and is principally owned by Nathan Brown, Paul Peterson, and Alex Washington.

The following are certain of the affiliated advisers of Wind Point Advisors (the “**General Partners**,” and together with Wind Point Advisors, the “**Managers**”):

- Wind Point Investors V, L.P. (“**Wind Point V GP**”)
- Wind Point Investors VI, L.P. (“**Wind Point VI GP**”)
- Wind Point Investors CV1, L.P. (“**Wind Point CV1 GP**”)
- Wind Point Investors VII, L.P. (“**Wind Point VII GP**”)
- Wind Point Investors VIII, L.P. (“**Wind Point VIII GP**”)
- Wind Point Investors VIII Global, L.P. (“**Wind Point VIII Global GP**”)
- Wind Point Investors IX, L.P. (“**Wind Point IX GP**”)
- Wind Point IX Advisors, LLC (“**Wind Point IX Advisors**”)
- Wind Point Advisors CV1, LLC (“**Wind Point Advisors CV1**”)
- Wind Point Advisors VIII Global, LLC (“**Wind Point Advisors Global**”)

Each General Partner listed above is registered under the Advisers Act pursuant to Wind Point Advisors’ registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with Wind Point Advisors.

The Managers’ clients include the following (collectively, the “**Partnerships**” or the “**Funds**,” and together with any future private investment fund to which Wind Point Advisors or its affiliates provide investment advisory services, “**Private Investment Funds**”):

- Wind Point Partners V, L.P.
- Wind Point V Executive Advisor Partners, L.P.

- Wind Point Partners VI, L.P.
- Wind Point Partners CV1, L.P.
- Wind Point Partners VII-A, L.P.
- Wind Point Partners VII-B, L.P.
- Wind Point VII Affiliates, L.P.
- Wind Point Partners VIII-A, L.P.
- Wind Point Partners VIII-A Global, L.P.
- Wind Point Partners VIII-B, L.P.
- Wind Point Partners VIII-B Global, L.P.
- Wind Point Partners IX-A, L.P.
- Wind Point Partners IX-B, L.P.

The General Partners listed above each serve as general partner to one or more Funds and have the authority to make the investment decisions for the Funds to which they provide advisory services.

In September 2018, the limited partners of Wind Point Partners VI, L.P. (“**Fund VI**”) approved a series of transactions designed to (i) provide an option for accelerated liquidity for the benefit of limited partners of Fund VI, (ii) enhance the remaining value of Fund VI’s direct or indirect holdings in RailWorks Corporation and Ascensus Specialties (formerly known as Vertellus Performance Chemicals) (collectively, the “**Portfolio**”), (iii) provide an option to maintain economic exposure to the Portfolio for those limited partners of Fund VI that meet certain securities law requirements and (iv) raise additional capital to support growth initiatives for the Portfolio (the “**Transactions**”). In connection with the Transactions, Wind Point Investors VI, L.P., as general partner of Fund VI, (i) formed Wind Point Partners CV1, L.P. (“**Wind Point Partners CV1**”), which is controlled by its general partner, Wind Point Investors CV1, L.P. (“**Wind Point Partners CV1 GP**”), and (ii) caused Fund VI and Wind Point VI Executive Advisor Partners, L.P. to enter into a Contribution and Redemption Agreement with Wind Point Partners CV1 and Wind Point Partners CV1 GP.

In October 2019, Fund VI and Wind Point VI Executive Advisor Partners, L.P. sold their remaining two investment assets to Wind Point Partners CV1. The transaction was approved by the Advisory Boards of both Fund VI and Wind Point Partners CV1. Additionally, the limited partners of Wind Point Partners CV1 approved an amendment to the Agreement of Partnership of Wind Point Partners CV1 to allow the sale of the remaining investment assets in Fund VI to Wind Point Partners CV1, L.P.

The Funds and any other Private Investment Funds that may be formed by a General Partner (or its affiliates) at a later date or that may otherwise become clients of a General Partner are expected

to invest through negotiated transactions in operating entities. The Managers' investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. The senior principals or other personnel of the Managers or their affiliates may serve on a portfolio company's board of directors or otherwise act to influence control or management of portfolio companies held by the Funds.

Certain of the Funds managed by the Managers are co-invest vehicles (each a "**Co-Invest Fund**") that invest in certain portfolio companies alongside one of the Managers' primary Funds. Such Co-Invest Funds typically are formed to invest alongside a primary Fund and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the primary Fund making the investment.

The Managers' advisory services for Private Investment Funds are further described in the applicable private placement memoranda and limited partnership agreements (each, a "**Partnership Agreement**"), as well as below under "Methods of Analysis, Investment Strategies and Risk of Loss" and "Investment Discretion." Investors in Private Investment Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints or for other agreed upon reasons. The Managers have, and expect to in the future, enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under, altering or supplementing a Fund's Partnership Agreement or an investor's subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, co-investment rights, or transfer rights. Furthermore, pursuant to a Fund's Partnership Agreement, some of such rights, terms or conditions may be elected by certain sizeable investors with "most favored nations" rights.

As of December 31, 2019, Wind Point Advisors managed approximately \$3,120,649,386 in client assets on a discretionary basis.

## **Section 2. Fees and Compensation**

The following is a general description of fees, compensation, and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation, or expenses that other Funds charge. The Partnership Agreements of the Funds describe fees, compensation and expenses in greater detail.

With respect to the Funds, each Fund's General Partner generally receives an annual management fee (the "**Management Fee**") and a carried interest in connection with advisory services, although certain Funds may not charge a Management Fee and/or carried interest. The General Partners or their affiliates may receive additional compensation in connection with management and other services performed for certain portfolio companies of Private Investment Funds and such additional compensation may offset in whole or in part the Management Fees otherwise payable to the applicable General Partner. Investors in the Funds also bear certain fund expenses.

Each Fund generally pays a Management Fee equal to 2.00% of investor capital commitments to the Fund (“**Commitments**”) during the commitment period (generally, five or six years from the Fund’s effective date), and 2.00% (1.75% in the case of Wind Point Partners VII-A, L.P., Wind Point Partners VII-B, L.P., Wind Point Partners IX-A, L.P. and Wind Point Partners IX-B, L.P.) of net invested capital beginning when the commitment period ends or a successor Fund begins operations. The Management Fee generally will be payable by a Fund until the earliest of the date all portfolio investments are distributed, the tenth anniversary of a Fund’s effective date and the date a General Partner’s relationship with the applicable Fund is terminated for other reasons (as described in the Partnership Agreement). Wind Point Partners CV1 pays a Management Fee equal to (i) 1.50% of aggregate investment contributions for the first two years from the Fund’s effective date, (ii) 1.00% for the next two years, and (iii) 0.50% thereafter, payable for the period beginning on the initial contribution date and ending on the fifth anniversary thereof.

The Management Fee is typically payable by a Fund to the applicable General Partner either quarterly in advance or semi-annually, partially in advance and partially in arrears. Installments of the Management Fee payable for any period other than a full management fee period are adjusted on a pro rata basis according to the actual number of days in such period.

The Management Fee otherwise payable by certain Funds is generally reduced by such Funds’ pro rata share of a specified percentage of any: (i) directors’ fees, monitoring fees, financial consulting fees or advisory fees earned by the applicable General Partner with respect to any Fund investment; (ii) break-up fees with respect to Fund transactions not completed that are paid to the applicable General Partner. Wind Point no longer expects to take transaction fees. Payments received for services provided to a portfolio company in the ordinary course of its business or as compensation for serving as an employee or in a similar capacity for a portfolio company, whether received by Wind Point Advisors’ personnel or third parties, are not subject to offset. Investment vehicles (e.g., certain co-invest vehicles) that do not pay management fees do not receive the benefit of such offsets. The remaining amount of the aforementioned fees that are received by the applicable General Partner without offset against the Management Fee are hereinafter referred to as “**Supplemental Fees.**”

As described in the Partnership Agreement of certain Funds, the applicable General Partner may waive all or a portion of a Management Fee payment for a corresponding interest in such Fund’s profits, and any waived portion of such Management Fee may be used to reduce the amount of capital contributions the General Partner would otherwise be required to contribute to the Fund. The partners of a Fund may be required to make a pro rata contribution according to how they would have funded the waived Management Fee to fund a contribution that would otherwise be required of the General Partner in connection with any such waiver, which will be treated as a deemed capital contribution by the General Partner in respect of the General Partner’s Commitment. Reductions to Management Fees due to waivers are taken into account before applying the offsets described above. The following Funds no longer pay a Management Fee: Wind Point Partners V, L.P., Wind Point V Executive Advisor Partners, L.P., Wind Point Partners VI, L.P., Wind Point Partners VII-A, L.P., Wind Point Partners VII-B, L.P. and Wind Point VII Affiliates, L.P.

In addition to the Management Fee, each Fund’s General Partner generally receives a carried interest from investors in the Fund of 20% of all realized profits, subject to an 8% compounded

annual preferred return and a related General Partner catch-up (as more fully described in each Fund's Partnership Agreement). Wind Point Partners CV1 GP receives a carried interest from investors in Wind Point Partners CV1 of between 10% and 25% of all realized profits, subject to the applicable compounded annual preferred return of between 8% and 25% and a related General Partner catch-up (as more fully described in the Fund's Partnership Agreement). The carried interest distributed to a General Partner typically is subject to a potential giveback at the end of the life of the applicable Fund and, for certain funds, on an interim basis, if the General Partner has received excess cumulative distributions.

For certain Funds, the General Partners and/or their affiliates generally may exempt certain persons from payment of all or a portion of Management Fees and/or carried interest, including the General Partner and any other person designated by the General Partner. Any such exemption from Management Fees and/or carried interest may be made by a direct exemption, through a Co-Invest Fund or through another co-invest arrangement.

It is expected that any similar future Private Investment Funds will have a similar fee structure.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the applicable Fund, and investors generally are not permitted to withdraw or redeem interests in the Fund.

Managing Directors and other employees of Wind Point Advisors may receive a portion of the Management Fee, carried interest or other compensation received by Wind Point Advisors or its affiliates.

As described in each Fund's Partnership Agreement, a Fund will typically reimburse the applicable General Partner for certain organizational and start-up expenses of the Fund, its General Partner, any ultimate general partner, and affiliated management company up to a specified amount, including legal, travel, accounting, filing, printing, capital raising, regulatory compliance (including the initial compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), any administrative or other filings, and the preparation of, and negotiations with respect to, the Partnership Agreement and any side letters or similar agreements. A Fund generally does not ultimately bear any placement fees incurred in connection with the organization of the Fund, even if it pays such fees initially, as such fees generally reduce the amount of the Management Fee otherwise payable to the applicable General Partner, as described above.

In addition to such organizational costs, the Management Fee and carried interest payable to the applicable General Partner, a Fund will typically bear all other fees, costs, expenses, liabilities and obligations relating to the Fund's and/or its subsidiaries' activities, investments and business (to the extent not borne or reimbursed by a portfolio company or any subsidiary thereof), including (i) all fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of the Fund's investments (which may include expert network expenses) (including interest and fees on money borrowed by the Fund or by the Managers or their affiliates on behalf of the Fund, registration expenses and brokerage, finders', custodial and other fees), (ii) legal,



accounting, auditing, administration, custodian, depository, insurance (including directors and officers and errors and omissions liability insurance), travel, litigation and indemnification costs and expenses, judgments and settlements, consulting, finders', financing, appraisal, filing and other fees and expenses (including fees, costs and expenses associated with the preparation or distribution of the Fund's financial statements, tax returns and Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing and all fees, costs and expenses associated with establishing, operating and maintaining any online portal), (iii) costs and expenses of the limited partner advisory board incurred in accordance with the Partnership Agreement, (iv) all out-of-pocket fees, costs, expenses, liabilities and obligations incurred by the Fund, the Managers or any of their affiliates relating to investment and disposition opportunities for the Fund not consummated (including legal, accounting, auditing, insurance, travel, consulting, finders', financing, appraisal, filing, printing, real estate title, survey and other fees and expenses), (v) all out-of-pocket fees, costs and expenses incurred by the Fund, the Managers or any of their affiliates in connection with the annual meetings of the Fund's limited partners and any other conference or meeting of with any limited partners(s), (vi) any taxes, fees and other governmental charges levied against the Fund (except to the extent that the Fund is reimbursed therefor by a limited partner or such tax, fee or charge is treated as having been distributed to the Fund's partners pursuant to the Partnership Agreement, (vii) Placement Fees, (viii) costs and expenses that are classified as extraordinary expenses under GAAP, (ix) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of any alternative investment vehicles, (x) any organizational expenses and (xi) unreimbursed costs and expenses incurred in connection with any transfer of limited partnership. The Funds also have and expect to continue to bear expenses indirectly from the payment by portfolio companies of similar expenses, including late night meal and taxi costs incurred generally by junior investment professionals while completing specific portfolio company business, and other travel related costs.

Generally, with respect to investment-related expenses, if more than one Fund participates, or is expected to participate, in an investment, then the Managers allocate expenses related to such investment (whether consummated or not) on a pro rata basis based on expected or actual commitments. Subject to any restrictions in any applicable Partnership Agreement, the Managers allocate non-investment related expenses that were not incurred solely by or on behalf of one Fund among the applicable Funds or the Fund(s) and other parties (e.g., the Managers) on a basis deemed fair and reasonable by the Managers.

Subject to a Fund's Partnership Agreement, the applicable General Partner will generally bear all ordinary administrative and overhead expenses incurred in connection with maintaining their offices, including employees' salaries, rent, utilities, and equipment expenses (although, as noted above, compensation for services provided in the ordinary course to or for serving as an employee or in a similar capacity for a portfolio company are not part of the Managers' overhead expenses).

The Managers utilize Executive Advisor Partners ("EAPs") to assist with a variety of activities, including portfolio company CEO identification, market research, new investment identification, pre-investment business diligence and post investment consulting and services. EAPs are not employees of the Managers, they are third party consultants utilized by the Managers on a periodic basis. EAPs may receive direct compensation from a portfolio company under terms agreed to by the portfolio company and the EAP and this compensation will not offset management fees. Any

compensation received by EAPs at the portfolio company level will be indirectly borne by the Fund by virtue of the Fund's investment in a portfolio company.

Brokerage fees may be incurred by the applicable Fund in accordance with the practices set forth in Section 9 below.

### **Section 3. Performance-Based Fees and Side-By-Side Management**

As discussed under Section 2 ("Fees and Compensation") above, the General Partners receive a carried interest allocation on certain realized profits in certain of the Funds. A performance-based allocation is an allocation representing an asset manager's compensation based on a percentage of net profits of the fund being managed. Certain of the General Partners manage Funds that are not charged a performance-based fee. This practice could present a conflict of interest because the applicable General Partner has an incentive to favor accounts for which it receives a performance-based fee. The Funds that are not charged a performance-based fee were formed to invest alongside the Managers' primary Funds and invest in each portfolio company in which the applicable primary Fund invests. Such investments are made on substantially the same terms and are generally made on a pro rata basis based on aggregate available Commitments. See Section 5, "Methods of Analysis, Investment Strategies and Risk of Loss," for further discussion of conflicts of interest.

### **Section 4. Types of Clients**

The Managers provide investment advice to Private Investment Funds, including the Funds. Private Investment Funds are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Wind Point Advisors and its affiliates. In some cases other service professionals (e.g., outside counsel) may also be invested in the Funds.

The Funds generally have a minimum investment of \$5 million for third-party investors, although individual Commitments of lesser amounts may be accepted at the discretion of the applicable General Partner. Generally, investors must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act.

### **Section 5. Methods of Analysis, Investment Strategies and Risk of Loss**

#### **General**

The principal investment strategy of the Managers generally is to acquire under-managed middle market companies where the Managers are able to establish a clear path to value creation. The Managers invest in companies across many industry categories.

*The following is a summary of the investment strategies and methods of analysis generally employed by the Managers on behalf of the Funds and a summary of certain risks involved with the Managers' investment strategy and an investment in the Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis and risks are included in the applicable private placement memorandum for each Fund. There can be no assurance that the Managers will achieve the investment objectives of the Funds, and a loss of investment may be possible.*

## **Investment and Operating Strategy**

To execute their strategy, the Managers focus on bringing together the following three key elements in each transaction:

- 1) Top Caliber CEO. The Managers recruit CEOs who will be their partners in selecting and acquiring a portfolio company where the CEO will be responsible for developing and leading the value creation plan. The CEO partners should also be willing to invest a meaningful portion of their liquid net worth in the company alongside the applicable Fund.
- 2) Under-managed Middle Market Company. The Managers typically seek to acquire well-positioned but undermanaged businesses with an enterprise value of \$100 million to \$500 million that are a good match with a CEO partner's skill set and industry experience.
- 3) Clear Path to Value Creation. The Managers seek to pursue opportunities where a CEO partner can develop a value creation plan that is designed to produce greater growth and profitability than might otherwise be anticipated from the incumbent management team. This value creation plan is formulated during the several months of due diligence that the applicable General Partner and the CEO partner dedicate prior to acquiring a company.

## **Types of Investments**

The Funds will hold a substantial portion of their assets in restricted securities, but generally will seek registration rights or other liquidity features in connection with investments to enable them to exit the investment at an appropriate point under the individual circumstances of each investment. The Funds may use leverage in connection with their investments.

## **Risks of Investment**

A Fund and its investors bear the risk of loss that the applicable General Partner's investment strategy entails. The risks involved with the General Partner's investment strategy and an investment in each Fund include, but are not limited to:

1. Business Risks. The Fund's investment portfolio may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

2. Investment in Junior Securities. The securities in which the Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.
3. Concentration of Investments. The Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.
4. Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners will be required to bear Management Fees through the Fund during its investment period based on the entire amount of the limited partners' commitments and other expenses as set forth in the Partnership Agreement.
5. Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.
6. Leveraged Investments. The Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times, it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments.

The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive

pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

7. Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.
8. Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Fund's investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.
9. Reliance on Portfolio Company Management. Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis.
10. Projections. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to projections made by the General Partner in its discretion. In all cases,

projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

11. *Conflicting Investor Interests.* Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.
12. *Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Fund, could adversely affect the ability of the Principals, employees or other individuals associated with the Fund or the General Partner who were or may in the future be granted direct or indirect interests in the General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from the Fund and the General Partner, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. These same issues may also apply to officers, directors and employees of the Fund's portfolio companies if such persons receive a profits interest in such companies.

13. *Alternative Investment Fund Managers Directive.* The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If the Fund is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; (ii) the Fund and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Partnership incurring additional

costs and expenses or otherwise affect the management and operation of the Fund; (iii) the General Partner may be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of the Fund in relation to EEA portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of commitments.

14. *Need for Follow-On Investments.* Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments.

Any decision by the Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

15. *Non-U.S. Investments.* The Fund may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

16. Hedging Arrangements. The General Partner may (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.
17. Director Liability. The Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.
18. Advisory Board. The General Partner will appoint one or more limited partner representatives to the Fund's advisory board. The Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Fund or any other partner. In addition, representatives of the advisory board may have various business and other relationships with Wind Point Advisors and its partners, employees and affiliates. These relationships may influence their decisions as members of the advisory board. Finally, the advisory boards of the Funds include substantial overlap of members, which may cause a conflict of interest in the event of transactions between two Funds where the advisory board is asked to consent to the proposed transaction.
19. Uncertain Economic and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit



used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

20. Market Conditions. From time to time, the capital markets experience great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.
21. Cyber Security Breaches and Identity Theft. Wind Point Advisors, each Fund and each Fund's portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of Wind Point Advisors and each Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Wind Point Advisors, a Fund and/or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Fund's investment results and its ability to make

distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Wind Point Advisors', the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Wind Point Advisors', the Funds' or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

## **Conflicts of Interest**

The Managers currently manage a number of Funds that are similar to each other, and each of the Funds have made investments that are similar to investments made by other Funds. The Managers' investment staff will continue to manage and monitor such Funds and investments. This practice could create a conflict of interest. However, during the investment period of a Fund, the principals of the applicable General Partner (the "**Principals**") pursue all appropriate investment opportunities exclusively through such Fund, subject to certain exceptions as described in the applicable Partnership Agreement. In addition, the significant investment of the Principals in such Fund, as well as the Principals' interest in the carried interest of such Fund, operate to align, to some extent, the interest of the Principals with the interest of the limited partners in such Fund, although the Principals have economic interests in such other Funds and investments as well and receive Management Fees and carried interests relating to such interests. Such other Funds and investments that the Principals may control may compete with a Fund or companies acquired by a Fund. Following the investment period of a Fund, the Principals may, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, the Principals will be presented with investment opportunities that would be suitable for more than one Fund. In determining which investment vehicles should participate in such investment opportunities, the Managers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. The Managers attempt to resolve such conflicts of interest in light of their obligations to investors in each Fund, and attempt to allocate investment opportunities among the Funds in a fair and equitable manner and consistent with the applicable Partnership Agreements. Where necessary, the Managers consult and receive consent to conflicts from an advisory committee consisting of limited partners of the applicable Fund.

Because a General Partner's carried interest is based on a percentage of realized profits of the respective Fund, it may create an incentive for the General Partner to cause the applicable Fund to make riskier or more speculative investments than would otherwise be the case. However, the Managers believe that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of the Managers with that of the Funds.

Since a General Partner is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it could have a conflict of interest in connection with approving transactions. This conflict may be mitigated to an extent by offsetting the Management Fee by a specified percentage of such Supplemental Fees and a General Partner's interest in the carried interest of a Fund.

The limited partners may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments and the timing of disposition of investments. Conflicts of interest may arise in connection with decisions made by the Managers, including with respect to the nature or structuring of investments, that may be more beneficial for one limited partner than for another limited partner, especially with respect to limited partners' individual tax situations. Also, Fund investments may have a negative impact on related investments made by the limited partners in separate transactions. In selecting, structuring and managing investments appropriate for a Fund, the General Partner will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax or other objectives of any limited partner individually.

A Fund's advisory board may not have the same interests as all limited partners. Each member of the advisory board will have no duty to any limited partner other than the limited partner appointing such member. Furthermore, the Fund's advisory board members cannot be expected to be expert in investing, and certain of its determinations may, in fact, adversely affect the performance of the Fund. A Fund will also indemnify members of its advisory board for any losses or damages incurred in connection with serving on the advisory board so long as such losses or damages did not result from such member's fraud.

A Fund or its General Partner, on behalf of the Fund, may from time to time enter into side letters or similar agreements with one or more limited partners, which provide such Limited Partners with additional or different rights (including with respect to access to information and liquidity terms) than such limited partners have pursuant to the applicable Partnership Agreements. As a result, certain limited partners may receive additional benefits that other limited partners will not receive. A Fund and its General Partner, on behalf of the Fund, will not be required to notify any or all of the other limited partners of any such arrangements or any of the rights or terms or provisions thereof, or offer such additional or different rights or terms to any or all of the other limited partners. The other limited partners will have no recourse against the Fund, the General Partner or any of their affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such arrangements.

## **Section 6. Disciplinary Information**

Wind Point Advisors and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **Section 7. Other Financial Industry Activities and Affiliations**

Wind Point Advisors is affiliated with other Wind Point investment advisers registered with the SEC under the Advisers Act pursuant to Wind Point Advisors' registration in accordance with SEC guidance. These advisers are Wind Point V GP, Wind Point VI GP, Wind Point CV1 GP, Wind Point VII GP, Wind Point VIII GP, Wind Point VIII Global GP, Wind Point IX GP, Wind Point IX Advisors, Wind Point Advisors CV1, and Wind Point Advisors Global. These affiliated investment advisers operate as a single advisory business together with Wind Point Advisors and serve as General Partners of the Partnerships and may share common owners, officers, partners,

consultants or persons occupying similar positions. See Section 5, “Methods of Analysis, Investment Strategies and Risk of Loss,” for a discussion of conflicts of interest.

In addition, Alex Washington began serving as a director of Wintrust Bank in April 2016. From time to time, the portfolio companies have entered, and expect in the future to enter, into transactions with Wintrust and/or its affiliates. Wind Point Advisors does not expect Mr. Washington’s directorship to create a material conflict of interest because transactions with Wintrust and/or its affiliates are generally negotiated on an arms’ length basis, and Mr. Washington will not receive any compensation from Wintrust in connection with transactions any portfolio company enters into with Wintrust and/or its affiliates.

#### **Section 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Managers have adopted the Wind Point Partners Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of the Managers’ Principals and employees and addresses conflicts that arise from personal trading. The Code requires the Managers’ personnel to report their personal securities transactions and prohibits the Managers’ personnel’s direct or indirect acquisition of beneficial ownership of securities in an initial public offering or in a limited offering, in each case, without first obtaining approval from the Managers’ Chief Compliance Officer. In addition, the Code requires the Managers’ Principals and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any client or prospective client upon request to LeAnn Kilarski at (312) 255-4800 or LKK@wppartners.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client-eligible investments.

The Managers and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Managers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Managers. Accordingly, should the Managers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Managers would be prohibited from communicating such information to clients, and the Managers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Wind Point personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds. Due to these restrictions, the Managers will not be free to act upon any such information and may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Principals and employees of the Managers and their affiliates may directly or indirectly own an interest in Private Investment Funds, including the primary Funds or Co-Invest Funds. The Managers believe that such interests do not create a conflict of interest and instead operate to align

the interests of Principals and employees of the Managers with the Private Investment Funds. The Funds and other Private Investment Funds may invest together in the manner set forth in the applicable Partnership Agreement. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the Managers' fiduciary obligations and consistent with the applicable Private Investment Funds' underlying documents.

From time to time, certain principals and employees of the Managers invest in other private equity investment vehicles (including single investor co-investments) managed by other investment advisers. In some cases, the Funds may seek to purchase portfolio companies that are owned by such other investment vehicles, which may directly or indirectly benefit any principals or employees of the Manager.

The Managers serve as investment managers to the Co-Invest Funds that invest alongside the primary Funds in certain portfolio companies. Certain affiliates and personnel of the Managers, third party investors and other persons may be permitted to participate in the Co-Invest Funds or in some cases co-invest directly in a particular portfolio company. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by a General Partner in its sole discretion, may not be in the best interests of the applicable Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, the applicable General Partner may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by such General Partner or its affiliates.

The Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the applicable Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. Furthermore, co-invest participants may be in a position to obtain additional information regarding a particular portfolio company that may not generally be available to investors in the Funds. Any Co-Invest Fund formed for the purpose of pursuing a particular transaction lack the potential benefit of diversification and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss.

From time to time for strategic or other reasons, a Co-Invest Fund or other co-investor may purchase a portion of an investment from a primary Fund. The co-invest buy-down generally occurs shortly after the primary Fund's completion of the investment to avoid any changes in the valuation of the investment. The Co-Invest Fund or other co-investor generally will be charged interest on its buy-downs to compensate the primary Fund for the holding period.

The Managers and their affiliates, Principals and employees may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to other accounts or certain Funds or vehicles that may differ from advice given to, or securities recommended or bought for, other Funds or vehicles,

even though their investment objectives may be the same or similar. The operative documents and investment programs of the Private Investment Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Private Investment Funds or may give priority with respect to investments to such Private Investment Funds. Some of these restrictions could be waived by investors (or their representatives on advisory boards) in such Private Investment Funds. However, the Managers may or may not, in their sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

The Managers may recommend the purchase or sale of securities for Funds in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the Funds. Certain of these transactions may require the consent of the applicable Funds.

From time to time there have been and in the future may be transactions between portfolio companies of the Funds. In such cases there could be conflicts of interest between the Funds or portfolio companies and the Manager will seek to resolve such conflicts as it deems appropriate. In other cases, the Manager may not be aware or involved in such transactions between portfolio companies.

See Section 5, “Methods of Analysis, Investment Strategies and Risk of Loss,” for a discussion of conflicts of interest.

As noted in Section 2, “*Fees and Compensation*,” the Managers and their affiliates may be entitled to receive cash and non-cash director’s, consulting, advisory, transaction, break-up, monitoring, and other similar fees in connection with the purchase, monitoring or disposition of investments or from un consummated transactions including warrants, options, derivatives and other rights in respect of portfolio companies of the Fund. Limited partners will receive the benefit from certain such fees only to the extent of any applicable offsets to the Management Fee, as described herein.

In addition, as a result of the Funds’ interests in portfolio companies, the Managers and their affiliates may have the right to appoint, or influence the appointment of, board members to such portfolio companies and to determine, or influence a determination of, board member compensation and/or other amounts payable to the Managers or their affiliates. Furthermore (as described under Section 2, “*Fees and Compensation*”), a portfolio company (or a Fund in anticipation of a portfolio company investment) typically will pay, or reimburse the Manager, for certain fees and expenses (including travel expenses) of the Manager’s personnel, the EAPs or other service providers retained at the Managers’ discretion. The Managers may determine or influence the amount of these payments and reimbursements.

The Managers and their affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds. Additionally, the Managers, their affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Managers

and/or their affiliates, and/or the Funds or other investment vehicles they advise. Any of these situations subjects the Managers and/or their affiliates to potential conflicts of interest.

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

## **Section 9. Brokerage Practices**

The Managers focus on securities transactions of private companies and generally purchase and sell such companies through privately negotiated transactions in which the services of a broker-dealer may be retained. However, the Managers may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Managers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Managers sell publicly traded securities for the Funds, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Managers. In such event, the Managers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Managers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Managers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Managers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Managers generally do not make use of such services at the current time. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Managers' Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund managed by

the Managers, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund.

To the extent that the Managers allocate brokerage business on the basis of research services, they may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on their Private Investment Funds' interest in receiving most favorable execution.

The Managers do not anticipate engaging in significant public securities transactions; however, to the extent that the Managers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, the Managers may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, the Managers may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund of the Managers is favored over any other Private Investment Fund.

#### **Section 10. Review of Accounts**

The investments made by the Private Investment Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Managers closely monitor companies in which the Private Investment Funds invest, and the Managers' Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is managed in accordance with its stated objectives.

The Funds generally provide to their limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each limited partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically. In addition to the information provided to all investors, the Managers may provide certain investors with additional information or more frequent reports that other investors will not receive.

#### **Section 11. Client Referrals and Other Compensation**

As discussed in the "Fees and Compensation" section, the Managers and/or their affiliates may receive certain fees from a Fund's portfolio companies. As described in the applicable Fund's Partnership Agreement, a portion of this compensation may, in certain circumstances, offset a portion of the Management Fees otherwise payable by the Funds, but certain compensation, such as compensation for services provided to portfolio companies in the ordinary course or for serving as an employee of a portfolio company, are not included in the offset amounts.

From time to time, Wind Point Advisors may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund or other Private Investment Fund. Any fees and expenses payable to any such



third parties will be borne by Wind Point Advisors directly or indirectly through an offset against the Management Fee.

## **Section 12. Custody**

As required by the Advisers Act, the Managers have established accounts with the following qualified custodians to hold funds and securities on behalf of the Funds: Citi Private Bank, Merrill Lynch, JP Morgan Chase Bank, Regions Bank, and Wells Fargo Bank, N.A. Although the Managers are deemed to have custody of underlying assets of many of the Funds, the Managers rely on the “pooled investment vehicles” exemption from the reporting and surprise audit obligations imposed by the SEC’s custody rule. Accordingly, the Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. Each Fund’s audited financial statements are then provided to underlying investors of such Fund within 120 days of the Fund’s fiscal year end.

## **Section 13. Investment Discretion**

Each Manager has discretionary authority to manage investments on behalf of the applicable Fund. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the Partnership Agreement of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the applicable Partnership Agreement, however, a Manager may enter into side letter or similar arrangements with certain limited partners whereby the terms applicable to such limited partner’s investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons. The applicable Manager assumes this discretionary authority pursuant to the terms of the Partnership Agreement.

## **Section 14. Voting Client Securities**

In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the “**Policy**”) to address how any Manager will vote proxies, as applicable, for the Funds’ portfolio investments. The Policy seeks to ensure that the applicable Manager votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. The Managers generally believe their interests are aligned with the Funds’ investors through the Managers’ Principals’ beneficial ownership interests in the Funds and therefore generally do not expect to seek investor approval or direction when voting proxies. In the event, however, there is or may be a conflict of interest between the applicable Manager and the Funds in voting proxies, the Policy outlines several alternative approaches that the Manager may take to address the conflict. The Managers do not consider service on portfolio company boards by Manager personnel or Principals or the Managers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted proxies for particular portfolio companies will be provided to clients or prospective clients at no charge upon request to LeAnn Kilarski at (312) 255-4800 or LKK@wppartners.com.

## **Section 15. Financial Information**

Wind Point Advisors does not require or solicit prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.

## **Section 16. Disease and Epidemics**

The impact of disease and epidemics may have a negative impact on our business, our funds and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our Funds and our Funds' investments could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on our business, our Funds and our Funds' investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. In December 2019, a novel strain of coronavirus surfaced in Wuhan, China and subsequently spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization ("WHO") on January 30, 2020. On March 11, 2020, the WHO declared the coronavirus outbreak a global pandemic. The speed and extent of the spread of the coronavirus, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. While governmental agencies and private sector participants will seek to mitigate the adverse effects of the coronavirus, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures is uncertain. Our operations and business results, including with respect to any particular Fund, could be materially adversely affected. The extent to which the coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.