

Ascribe Capital LLC

Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Ascribe Capital LLC. If you have any questions about the contents of this brochure, please contact us at 1-212-476-8000. 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. Registration with the SEC as an investment adviser does not imply any certain level of skill or training.

Additional information about Ascribe Capital LLC is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the filing of the most recent version of this brochure by Ascribe Capital LLC (“Ascribe” or the “Company”) in March 2019, no material changes have been made.

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Item 4 – Advisory Business

Ascribe, a Delaware limited liability company, serves as an investment manager to related private investment vehicles listed below in Item 10 (the “Ascribe Funds”) organized primarily to invest in a broad range of stressed and distressed securities, securities trading at stressed or distressed valuations and securities of companies which are distressed or undergoing operational, financial or other stress, which offer an attractive risk adjusted rate of return. The Ascribe Funds may invest in debt or equity securities that Ascribe believes are trading at significant discounts to their intrinsic values. As of December 31, 2019, the Ascribe Funds had \$1,518,467,284 in aggregate capital commitments and assets managed on a discretionary basis by Ascribe.¹ On January 31, 2019, Ascribe Capital completed its fourth and final close on its most recent private fund, Ascribe Opportunities Fund IV, L.P. (“Ascribe IV”), which closing consisted of \$104,494,383 of capital commitments, bringing the current and final amount of Ascribe IV capital commitments to \$825,000,000, and the Ascribe Funds’ aggregate capital commitments and assets managed on a discretionary basis to \$1,518,467,284². Ascribe IV went effective with its investment period on December 3, 2019.

Ascribe Management LLC (formerly known as American Securities Opportunities Advisors, LLC) (“Ascribe Management”) the predecessor to Ascribe, was founded in 2006 by Anthony Grillo and American Securities LLC (“American Securities”), an investment manager to private investment vehicles that specializes in private equity and related investments. Ascribe is a wholly-owned subsidiary of American Securities. The principal owner of American Securities is Michael G. Fisch, either directly or through his affiliates.

Investment advice is provided directly to each Ascribe Fund and not individually to the limited partners or investors in the Ascribe Funds. The Company has discretion to commit the Ascribe Funds to invest in a variety of investment instruments consistent with the respective investment programs of each Ascribe Fund. Ascribe provides, either directly or through its related entities, investment advice to the Ascribe Funds regarding debt and equity securities and other assets with a range of liquidity profiles. The Ascribe Funds may make controlling or non-controlling investments. For non-controlling investments Ascribe’s investment professionals nevertheless may work with an issuer’s management. The terms by which Ascribe provides investment advice to the Ascribe Funds are described in each Ascribe Fund’s governing documents, which may include a confidential offering memorandum, an investment management agreement, and a limited partnership agreement, among other things.

Ascribe does not manage any assets on a non-discretionary basis or participate in any wrap fee programs.

Item 5 – Fees and Compensation

Management Fees and Carried Interest:

¹ Such amount has been calculated using the same methodology for computing “regulatory assets under management” required for Item 5.F in Part 1A of this Form ADV, and includes the current market value of the Ascribe Funds’ assets and the amount of any uncalled commitments.

² The Ascribe IV capital commitments from all four closings have been included in the total for Item 5.F in Part 1A of this Form ADV and elsewhere in this Form ADV when reporting Ascribe Capital’s total “regulatory assets under management.”

As described in each Ascribe Fund's confidential offering materials, Ascribe or an affiliate receives a management fee and, as described more thoroughly in Item 6, general partner entities affiliated with Ascribe may receive a performance-based carried interest. Ascribe charges management fees which are paid semi-annually, partially in arrears and partially in advance. The management fees equal 1.5% of the invested capital for the life of the Ascribe Fund; however, for each Ascribe Fund, Ascribe's management fees equal up to 1.5% of invested capital for aggregate capital commitments during a commitment period subject to certain limitations and adjustments as set forth in the limited partnership agreement for the applicable Ascribe Fund, and 1.5% of invested capital after the commitment period for the remaining life of the Ascribe Fund. The governing documents for the Ascribe Funds do not provide for any refunds for management fees paid in advance. Ascribe deducts management fees from the account of each Ascribe Fund.

The management fee and carried interest may be waived or reduced at the sole discretion of Ascribe or its affiliates. As described in each of the Ascribe Fund's governing documents, the general partner of each Ascribe Fund, which is an affiliate of Ascribe, may admit certain investors who receive terms that are more favorable than those offered to other investors, including, among other things, reduced or eliminated carried interest and management fees. Please see Item 7 for more information regarding the vehicles through which these investors subscribe to the Ascribe Funds.

Additional Fees and Expenses:

In addition to management fees, carried interest payments and other fees described above, investors will bear indirectly the fees and expenses charged to each Ascribe Fund. Those fees and expenses will vary, but typically will include organizational costs, fees paid to financial advisors of an Ascribe Fund, legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of partnership financial statements, tax returns and K-1s), expenses for preparing and making regulatory filings (including Form PF), expenses and costs of maintaining an Ascribe Fund's books and preparing any reports (including any expenses or costs associated with any software or online data portal used in connection therewith), expenses of the investment committee, the Ascribe Fund's limited partner advisory board and annual investor meetings (at which some non-investors may be in attendance and whose expenses incurred in connection with attendance at such meetings are paid by the Company) and meetings of one or more investors, expenses and costs, including interest on and fees and expenses arising out of borrowings, guarantees or other credit arrangements made by an Ascribe Fund, insurance and other expenses associated with the identifying, evaluating, acquisition, holding and disposition of its investments (including underwriting commissions and discounts, research expenses, travel expenses, investment banking and other professional fees), maintenance and/or management of the Ascribe Fund, all third-party expenses in connection with transactions (whether consummated or not, including broken deal expenses) and extraordinary expenses (such as indemnification expenses and advances and litigation expenses). Expenses, commissions and fees of placement agents or finders will be borne by Ascribe or its related entities from its own resources, as further described in the governing documents of the respective Ascribe Fund. More detailed information about the fees and expenses borne by the Ascribe Funds are included in each Ascribe Fund's confidential offering materials.

In some cases, expenses might be attributable to more than one Ascribe Fund, or to Ascribe or an affiliate and one or more Ascribe Funds. In such cases, Ascribe and its affiliates will apply an expense allocation methodology that is believed to be fair to affected Ascribe Funds and consistent with the Ascribe Funds' respective confidential offering materials and limited partnership agreements. Ascribe

and its affiliates may experience a conflict of interest when determining and applying an allocation methodology.

Ascribe or its affiliates may also earn monitoring fees and other compensation from issuers in which the Ascribe Funds invest, transaction counterparties and others. Ascribe or its affiliates may also earn fees in connection with unconsummated transactions. Ascribe or its employees may receive compensation and expense reimbursement for serving on an issuer's board of directors. See Item 14 for more information regarding conflicts relating to such director fees and reimbursement.

Ascribe may utilize the American Securities' Resources Group to diligence Portfolio Companies pre-closing and assist post-closing. The Resources Group is comprised of employees of American Securities, some of whom may receive carried interest, that have expertise in areas such as operations, information technology, strategy and growth, human capital, sourcing, and pricing, including a Shanghai office with distinctive capabilities in Asia-Pacific growth, competitive strategy and operations. Ascribe Funds, either directly or through Portfolio Companies, may reimburse American Securities for cash compensation and other expenses attributable to the Resources Group's work regarding current or prospective portfolio investments.

Each Ascribe Fund is responsible for its respective expenses for research and/or due diligence expenses including digital information sources (i.e., licenses and user fees for electronic research software, subscription fees, and business development, travel and entertainment expenses incurred while visiting or managing prospective or existing underlying portfolio companies). Ascribe Funds may also reimburse the Company for licensing and user fees for accounting, pricing, trading, and investor communication software or programs utilized by the Company's employees or affiliated persons.

The Ascribe Funds will reimburse Ascribe, the investment manager of each Ascribe Fund and its affiliates, for travel expenses, including air travel (which may be first or business class), car services, meals and hotels (which may include luxury class accommodations), incurred in connection with holding, developing, identifying, evaluating, negotiating, making, structuring, acquiring, monitoring, selling and otherwise disposing of the Portfolio Companies and otherwise in connection with the business of such Ascribe Fund. Private air travel may be used when deemed most effective, for example, when going from one remote location to another when visiting a number of plant sites relating to one or more proposed or existing investments. Such travel may be reimbursed by such Ascribe Fund at applicable first-class airfare rates.

Investors admitted to an Ascribe Fund after an initial closing may be required to pay fees and expenses retroactively, as described in each Ascribe Fund's confidential offering materials.

See Item 12 for more information regarding the payment of brokerage fees.

Item 6 – Performance Based Fees and Side-by-Side Management

In addition to the management fees described in Item 5, general partner entities affiliated with Ascribe may receive a performance-based carried interest. Carried interest generally equals a specified percentage of realized fund profits net of all expenses and is subject to preferred return and catch-up provisions described in each Ascribe Fund's confidential offering materials. Carried interest

distributions from the Ascribe Funds may create an incentive for Ascribe or an affiliate to make more speculative decisions regarding the purchase, management or sale of an Ascribe Fund's assets. Ascribe seeks to mitigate this potential conflict of interest by more closely aligning the economic interests of the Company and its senior employees with those Ascribe Funds investors through "clawback" provisions in the partnership agreements governing the Ascribe Funds. As described in the confidential offering materials and the partnership agreements governing the Ascribe Funds, carried interest will be paid to the general partners of the Ascribe Funds when making distributions to investors to which a performance-based allocation relates.

All performance compensation will be charged in accordance with Section 205 of the Investment Advisers Act of 1940, as amended, and Rule 205-3 thereunder.

To the extent set forth in the limited partnership agreements governing each of the Ascribe Funds, Ascribe may establish at its discretion one or more co-investment vehicles to invest alongside an Ascribe Fund in one or more investments. Co-investment vehicles generally are required to purchase and sell investment opportunities at substantially the same time and same terms as the applicable Ascribe Fund that is invested in such opportunity. Ascribe does not consider co-investment vehicles to be clients. Historically, neither Ascribe nor its predecessor American Securities Opportunities Management, LLC have established co-investment vehicles and therefore Ascribe has not historically charged management fees or carried interest relating to such vehicles. For more information on conflicts of interest relating to co-investment vehicles and Ascribe's management of these conflicts of interest, please see Items 11 and 12.

Item 7 – Types of Clients

The Company provides investment advice to private investment vehicles, which are structured as U.S. limited partnerships or limited liability companies, all of which are pooled investment vehicles that are exempt from the requirement to register as an investment company under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940.

In order to facilitate investment by foreign and certain other investors, the general partner of an Ascribe Fund may create one or more parallel investment entities ("Parallel Investment Vehicles"). Such Parallel Investment Vehicles will invest and divest side-by-side with the respective parallel partnership vehicle at the same time and on the same general terms, will share in each portfolio investment pro rata in proportion to their commitments and similarly will share any related investment expenses. Such vehicles are generally structured with the intention of achieving an alignment of interests that the Company believes is in the best interest of the Ascribe Funds. Ascribe's Chief Compliance Officer monitors any such investment structures for potential conflicts of interest. Material conflicts of interest may be disclosed to the applicable Ascribe Fund's limited partner advisory board or to all limited partners depending on the nature and severity of the conflict. Employees and other affiliated persons may invest in Parallel Investment Vehicles. For more information on Ascribe's oversight of employee investments in Parallel Investment Vehicles, please see Item 11.

Subject to the discretion of Ascribe to accept less, the minimum investment threshold (as set forth in the related offering materials) for investment in the Ascribe Funds is typically \$5 million.

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

The Ascribe Funds tend to seek investments in issuers with \$100 million to \$1.5 billion in annual revenue, current or near-term profitability, positive free cash flow before interest expenses, experienced management and a defensible position of market leadership. The Ascribe Funds typically seek investments in such companies that have an over-leveraged capital structure and that may benefit from restructuring. Most investments are expected to be made in U.S. issuers, but some investments may be made in Canada and other countries.

Ascribe seeks to achieve attractive risk-adjusted returns without the use of Ascribe Fund-level leverage. The Company may source investment opportunities from professional relationships cultivated by employees of Ascribe and/or American Securities, proprietary research and industry reviews conducted by Ascribe, and third party research reports.

Due diligence processes vary depending on the type and size of each prospective investment, but may include fundamental analysis of the issuer's operations and performance, capital structure, investment price and terms, return projections, industry and competitive position, and restructuring plans and exit opportunities, among other things.

After an investment has been made, Ascribe seeks to maximize the recovery of its investment through ongoing assessments of achievable value. This involves determining the potential long term value of the investment, selling the investment at the appropriate time depending on market pricing, and/or participating in negotiations as circumstances evolve. As there are many parties in interest in any reorganization or other restructuring, the ability to effectively negotiate and effect the restructuring process often drives recovery rates. Ascribe's senior executives may seek to play active roles in restructurings in which an Ascribe Fund is involved, commensurate with the size of the Ascribe Fund's investment position.

Ascribe believes that it can build value after an issuer is reorganized by providing management assistance as appropriate. Post-reorganization, commensurate with an Ascribe Fund's investment position in the issuer, Ascribe's senior executives may work with the issuer's management team to refine strategies and improve operations. Ascribe intends to leverage its relationship with American Securities and work with management teams to identify and implement financial, strategic, and operational improvements that are expected to enhance investment returns.

Acquiring an interest in an Ascribe Fund involves a number of risks. An investment in an Ascribe Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for qualified and sophisticated investors who fully understand and/or are capable of bearing the risk. No guarantee or representation is made that an Ascribe 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 strategy offered by Ascribe could lose money over short or even long periods. The description contained below is a brief overview of different risks related to the Ascribe Funds.

Risks Inherent in Ascribe Fund Investments. Ascribe's investment program will concentrate on investments in securities and assets that have significant risks as a result of business, financial, market

or legal uncertainties. Although such investments may result in significant returns, there can be no assurance that Ascribe will correctly evaluate the nature and magnitude of the various factors that could affect the value of a return on Ascribe Fund investments. Prices and market movements of investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Company's activities and the value of the Ascribe Funds' investments. The debt securities in which the Ascribe Funds will invest may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In addition, these securities may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Finally, with respect to investments in troubled issuers, it frequently may be difficult to obtain information as to the conditions of such issuers.

Credit Risk and Interest Rate Risk. Debt securities are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt security may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations, which are rated by rating agencies, are often reviewed and may be subject to downgrade. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt security indirectly (especially in the case of fixed rate debt securities) and directly (especially in the case of debt securities whose rates are adjustable). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Risks Associated with Bankruptcy Cases. The Ascribe Funds may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, reorganization or liquidation proceedings. Although distressed securities may result in significant returns to the Ascribe Funds, they involve a substantial degree of risk and may not show any return for a considerable period of time, if ever. Such investments could, in certain circumstances, subject the Ascribe Funds to certain additional potential liabilities that may exceed the value of the original investments therein. Such investments may involve reorganization proceedings that entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of the loan. In addition there are a significant number of risks inherent in the bankruptcy process. First, many events in a bankruptcy case are the product of contested matters and adversary proceedings determined by a court with equitable power and are beyond the control of specific creditors. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of an Ascribe Fund. Second, the effect of a bankruptcy filing on a company may adversely and permanently affect the company. The company may lose its market position and its key employees and otherwise become incapable of restoring itself as a viable entity. If for this, or for any other reason, a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy case is difficult to predict. A creditor's return on investments can be adversely affected by delays while the plan of reorganization is being negotiated, approved by the parties in interest and confirmed by the bankruptcy court (until it ultimately becomes effective). For example, in general, unsecured creditors' claims for interest accrued between the bankruptcy filing and a reorganization plan's consummation are not allowed. Fourth, the administrative costs to the debtor and official or unofficial committees in connection with a bankruptcy

case are frequently high and will be paid out of the debtor's estate prior to any return to general unsecured creditors. If a bankruptcy case involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to such administrative costs and, as a result, a creditor's costs in monitoring and enforcing of its claim may also substantially increase. Fifth, bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that the Ascribe Fund's influence with respect to the class of securities it owns can be lost by increases in the number and amount of claims in that class or by different classification and treatment. Sixth, in the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, an Ascribe Fund may purchase participations in loans or other debt obligations. In such cases, the Ascribe Fund will not be the holder of record of the debt obligation and may have limited rights with respect to voting the interest.

Trade and Other General Unsecured Claims. The Ascribe Funds may acquire interests in claims of trade creditors and other general unsecured claim holders of a debtor ("Trade Claims"). Trade Claims generally include, but are not limited to, claims of suppliers for goods delivered and not paid, claims for unpaid services rendered, claims for contract rejections and claims related to litigation. Trade Claims are typically unsecured and may, in unusual circumstances, be subordinated to other unsecured obligations of the debtor. The repayment of Trade Claims is subject to significant uncertainties, including potential set-off by the debtor as well as the other uncertainties described herein with respect to other distressed securities. A Trade Claim may be transferred or assigned before or after a petition in bankruptcy is filed, including after a proof of claim has been filed. An Ascribe Fund's investments in Trade Claims and high risk receivables may also entail special risks including, but not limited to, fraud on the part of the assignor of the trade claim as well as logistical issues which may affect the ability of the Ascribe Fund or its agent to collect the claim in whole or in part.

Equity Investments. The Ascribe Funds may acquire equity securities, either directly or through conversion of its debt investments. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources.

Leveraged Nature of Investments. The companies in which the Ascribe Funds will invest may employ considerable leverage, a significant portion of which may be subject to floating interest rates. The leveraged capital structure of issuers will increase the exposure of the Ascribe Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. The Ascribe Funds investments may be among the most junior financing in an issuer's capital structure, potentially including equity. If an issuer is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the Ascribe Fund may suffer a partial or total loss of capital invested in respect of the issuer, which could adversely affect the return of the Ascribe Fund.

Role of Investment Professionals. The success of any Ascribe Fund will depend in substantial part upon the skill and expertise of Ascribe's professionals. There can be no assurance that such professionals will continue to be associated with Ascribe. The loss of key personnel could have a material adverse effect on an Ascribe Fund.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The Ascribe Funds face competition from numerous competitors in all fields of activity. The Ascribe Funds will be competing for investments with a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. There can be no assurance that the Ascribe Funds will be able to locate and complete investments that satisfy their investment objectives or permit the full investment of all available capital.

Valuation of Assets. Securities owned by the Ascribe Funds may not be publicly traded and may be required to be fair valued. When estimating fair value, the general partner of each Ascribe Funds will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. To the extent there is any public market for the securities held by an Ascribe Fund, such freely tradable securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies.

Ascribe investments are valued quarterly in accordance with ASC 820, which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

Illiquid and Long-Term Investments. Although Ascribe's investments may generate current income from time to time, a substantial portion of the return of capital and the realization of gains, if any, from an investment will often occur upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. In the case of certain investments, there may not be a public market for the securities held by an Ascribe Fund at the time of their acquisition and such Ascribe Fund will not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases an Ascribe Fund may be prohibited by contract from selling certain securities for a period of time.

No Market for Interests in Ascribe Funds. Interests in the Ascribe Funds have not been registered under the Securities Act of 1933, the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered, or an exemption from registration is available. It is not contemplated that registration of the interests will ever be effected. There is no public market for interests in the Ascribe Funds, and one is not expected to develop. An investor will not be permitted to assign, sell, transfer, pledge or otherwise dispose of its interests in the Ascribe Funds, except by operation of law, without the prior written consent of the Ascribe Fund's general partner, which may be given or withheld in such general partner's sole and absolute discretion. Except in extremely limited circumstances, voluntary withdrawals from an Ascribe Fund will not be permitted. Investors must be prepared to bear the risks of owning interests for an extended period of time.

Prospective investors in an Ascribe Fund should review the confidential offering documents and other governing documents for a more extensive discussion of the risks and potential conflicts of interest. This brochure and such documents are not intended to serve as and are not an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the Ascribe Funds.

Item 9 – Disciplinary Information

Ascribe and its employees have not been involved in any legal or disciplinary events since its inception that the Company believes would be material to a client's or prospective client's evaluation of the Company or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Broker-Dealer Registration:

Ascribe and its employees are not registered, nor do they have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Ascribe and its employees are also not registered, nor do they have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Investment Funds/General Partners/Investment Advisers:

Ascribe currently serves as the investment adviser to the following private funds:

- Ascribe Opportunities Fund III, L.P.
- Ascribe Opportunities Fund III(B), L.P.
- Ascribe Opportunities Fund IV, L.P.
- Ascribe Opportunities Fund IV(B), L.P.

Ascribe is under common control with Ascribe Associates III LLC and Ascribe Associates IV LLC the general partners to the private funds listed above.

The affiliations between Ascribe, the private funds for which it provides investment advice, and the general partner to these private funds are disclosed in the Ascribe Funds' confidential offering materials. Ascribe believes that the structure of these entities reflects common industry practice and is appropriate.

Affiliations with American Securities and Ascribe Management:

Ascribe is an affiliate of Ascribe Management and, as a result of being a wholly owned subsidiary of American Securities, an affiliate of American Securities. Most or all of the employees responsible for managing the Ascribe Funds will have the same responsibilities with respect to the funds (the "Ascribe Management Funds") managed by Ascribe Management which are the predecessor funds to the Ascribe

Funds. The Ascribe Funds pursue the same investment strategy as the Ascribe Management Funds and an investment opportunity may arise which may be suitable for both the Ascribe Management Funds and the Ascribe Funds. Ascribe and its affiliates, in accordance with their respective allocation policies, will endeavor to allocate investment opportunities fairly; nevertheless, from time to time as any given conflict situation arises, such conflict may be resolved in a manner detrimental to a particular client of Ascribe. For more information on Ascribe's allocation policies, please see Item 12.

In addition, certain members of Ascribe's investment committee are managing members of the general partners to funds managed by American Securities. Situations may occur where an Ascribe Fund could be disadvantaged because of activities conducted by American Securities for its clients. For example, American Securities may come into possession of material non-public information about companies in the course of its management of private equity investments. There are no information walls between Ascribe and American Securities. Possession of material non-public information about a company by American Securities may limit the ability of the Ascribe Funds to buy or sell a security or otherwise to participate in an investment opportunity. Conversely, in order to avoid these trading limitations, American Securities may decline to pursue an investment opportunity. To the extent that Ascribe and American Securities both believe that an investment is suitable for their respective funds, an Ascribe Fund might invest alongside the other adviser's fund or such investment opportunity may not be available for the Ascribe Fund, which may be at the same or different prices with purchases and dispositions at different times. If such co-investments are made, they will be reviewed by Ascribe's Chief Compliance Officer for fairness to the affected Ascribe Fund.

The fact that Ascribe personnel devote portions of their time and professional energies to the activities of American Securities may pose a conflict of interest. However, the governing documents of each Ascribe Fund may disclose these risks and provide the limited partners with certain rights if certain principals of Ascribe fail to devote the amount of time specified in the relevant governing documents, partially mitigating this risk.

Affiliations with Other Investment Advisers:

Ascribe is affiliated with Capital Yuan Tao Advisors, LLC ("Capital Yuan Tao"), an adviser to private funds of funds that specialize in China-focused private investment partnerships. Although there are no information walls between Ascribe and Capital Yuan Tao, American Securities does not believe that the investment activities of Capital Yuan Tao pose any material conflicts of interest to the Ascribe Funds.

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

Code of Ethics:

Ascribe's employees are subject to a Code of Ethics (the "Code") in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. The Code is available by contacting Ascribe's Chief Compliance Officer, Jeremy B. Maco, at (212) 476-8000.

The Code reflects the fiduciary duty owed by Ascribe to its clients and sets out standards of business and personal conduct for each employee. Guidelines and reporting requirements for personal trading in the Code are intended to mitigate and monitor potential conflicts of interest. A related Insider Trading policy prohibits employees from trading in securities personally or on behalf of an Ascribe Fund while in possession of material non-public information in violation of applicable securities laws.

Personal Trading:

To mitigate possible conflicts of interest arising from personal trading and others that may arise, Ascribe has established policies requiring all of its employees (“Access Persons”) to obtain pre-clearance before investing in certain reportable securities such as stocks, bonds, private placements, co-investments (described below under “Participation or Interest in Client Transactions”) and investments in Parallel Investment Vehicles. In addition, Ascribe monitors for conflicts of interest on a periodic basis and its policies prohibit any Access Person from buying or selling securities for his own accounts at or about the same time that it buys or sells securities for client accounts if it feels that there is a possibility that the personal trade would benefit from the Company’s or an affiliated firm’s investment activities (“Related Firms”).

All employees are required to certify annually that they have complied with the Code and to make annual reports regarding their personal securities account holdings and quarterly reports regarding their personal securities trading activity.

Gifts and Entertainment:

Ascribe has policies in place governing the types and value of gifts and forms of entertainment that employees may accept from, or give to, broker-dealers, vendors, and current or prospective limited partners of the Ascribe Funds or funds managed by Related Firms. Generally, all giving and receipt of non-personal gifts and entertainment in excess of \$250 is reported to the Chief Compliance Officer. Employees are prohibited from receiving extravagant gifts or entertainment through Ascribe’s business relationships.

Participation or Interest in Client Transactions:

Ascribe does not anticipate purchase or sale transactions between any Ascribe Fund and Ascribe or its officers and employees or officers and employees of any of the Related Firms. Any such transaction, in the event it were to occur, would be in accordance with Section 206(3) of the Investment Advisers Act and the rules promulgated thereunder.

Certain employees and officers of Ascribe and the Related Firms invest in the Ascribe Funds, either through the general partners of the Ascribe Funds or as limited partners of Parallel Investment Vehicles that may not bear carried interest or management fees. From time to time, either the Company or certain employees and officers thereof may acquire (with the consent of the general partner) secondary interests in an Ascribe Fund from unaffiliated limited partners. Please see Item 6 for more information about Ascribe’s side-by-side management of client accounts and Item 12 for more information about its allocation policy and any related conflicts of interest.

Item 12 – Brokerage Practices

Best Execution, Broker Selection and Soft Dollars:

Ascribe invests in assets which may include market traded securities, including debt instruments and equity, for which there may be a broker-dealer or counterparty involved in the transaction to execute a trade. Ascribe has the sole authority to select the brokers or dealers used for this purpose. Ascribe or its related entities have the authority to determine the financial intermediaries to be used in connection with such transactions and to negotiate the amount of commission or other compensation to be paid to such intermediaries in connection with such transactions. Ascribe generally seeks to trade with counterparties offering the most favorable net price available, but other factors may influence the selection of trading counterparties including maintaining its ability to trade with certain counterparties who have access to specific debt securities. In many cases, Ascribe may seek to transact assets where there are few active counterparties, so the willingness to transact in the relevant asset is a key consideration. Other relevant factors can include:

- Reputation and financial strength;
- Specialization in particular geographic markets or asset classes;
- The ability to transact quickly in volume;
- Responsiveness, speed of settlement, and the absence of errors; and
- The value of market color and research provided.

The Company's compliance with its best execution policy is reviewed by its legal and compliance department on a periodic basis. Among its other duties, the Company's legal and compliance department is responsible for developing, evaluating and changing, when necessary, the Company's best execution practices.

The Company does not participate in any soft dollar arrangements. However, the Company, in the ordinary course of its business, receives from brokers and dealers research available to other institutional investors. Research services received from brokers and dealers are supplemental to the Company's own research efforts. To the best of Ascribe's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Company does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services.

Ascribe may pay for referral or lead databases that provide information about accredited investors who are interested in private fund investments similar to the ones advised by Ascribe. Such databases may be obtained from financial institutions that provide services to the Ascribe Funds.

Allocation and Aggregation Policies:

The Company has adopted an allocation policy that directs the Company to allocate investment opportunities among its clients fairly. Typically only one of the Ascribe Funds (or its predecessors) is actively making new investments at any given time. If only one such fund is actively investing then new investments will be allocated exclusively to that fund. To the extent that more than one fund is actively investing within its commitment period, allocations of investment opportunities will be allocated pro rata based upon unpaid capital commitments. While Ascribe and its affiliates endeavor to treat clients fairly and reasonably, deviations from a pro rata allocation may be made depending upon whether or not a client has an existing portfolio investment in the issuer, the unfunded commitments of the respective funds, the size of the investment opportunity, the anticipated hold period for the investment, the construction of each fund's portfolio and other potential conflicts of interest. Each Ascribe Fund participating in an investment opportunity will participate on the same terms and share proportionately in transaction costs. In some circumstances, follow-on investments may be made in connection with one or more such funds' existing holdings. Follow-on investments will generally be allocated to those funds that made the associated initial investment, pro-rata, based on capital investment by each such fund in the initial investment. However, other factors may require a different allocation, such as, the minimum block size and the available capital of each fund. Ascribe has adopted a policy that, in general, when an Ascribe Fund (or its predecessor) is 90% invested, it shall be considered fully invested for purposes of allocation policies.

In order to minimize execution costs and obtain best execution for all clients, Ascribe may aggregate orders for multiple Ascribe Funds, its related Parallel Investment Vehicles or with affiliated funds. Orders will only be aggregated if they are in the best interests of each participating entity. Clients generally pay more when trades are not aggregated, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may have a negative effect on market price, transaction costs and/or trade execution.

The partnership agreements governing the Ascribe Funds permit employees of Ascribe and the Related Firms and limited partners of the Ascribe Funds to invest directly or through co-investment vehicles described more thoroughly in Item 6. Co-investment vehicles are appropriate when Ascribe determines that the amount of an investment opportunity exceeds the amount that it considers appropriate for the participating Ascribe Funds. Ascribe does not consider these co-investment vehicles to be clients. Nevertheless, Ascribe will perform management, advisory, investment banking and other services for the issuers in which these co-investment vehicles invest alongside the Ascribe Funds.

As disclosed in the confidential offering materials governing the Ascribe Funds, Ascribe and its affiliates intend (but are under no obligation) to provide co-investment opportunities to limited partners of the Ascribe Funds before making such opportunities available to third parties. Nevertheless, decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Ascribe and its affiliates and may be offered to some and not other investors in the Ascribe Funds. For example, Ascribe may permit one or more strategic investors to participate in a co-investment vehicle if Ascribe determines in good faith that such investment would benefit the consummation of the participating Ascribe Funds' investment (including where an investor can invest or commit to invest a significant amount of capital in a short period of time) and the Company's operation and oversight of the investment. As a result, limited partners may receive co-investment allocations that are different from their proportionate investments in the Ascribe Funds. Because third party co-investors may provide Ascribe, its affiliates and its clients with capital and/or potential investment opportunities, this may be deemed to be a conflict of interest. Ascribe believes that these relationships are in the best interests of the Ascribe Funds and are consistent with market practice.

Under certain circumstances, deviations from the allocation procedures may be in the best interest of any of the Ascribe Funds or Ascribe Funds or an individual investment of either. Any such deviations will be approved by the Chief Compliance Officer.

Cross Transactions:

Ascribe will very rarely execute cross transactions between the Ascribe Funds or between the Ascribe Funds and any funds managed by the Related Firms. In the event that such cross transactions are effected, the terms of such transaction will be comparable to what could be obtained through an arm's length transaction with an unaffiliated third party and if required the limited partner board(s) for the respective Ascribe Funds shall approve such transactions in accordance with the partnership agreements governing the Ascribe Funds.

Trade Errors:

In the event that a trade error occurs with respect to a trade executed for a client account, each trade error will be corrected (once discovered) in an expeditious manner. Trade errors occur when an order is not executed according to the Company's intent and instructions due to a mistake of fact, processing error or other similar reason. If a trade error results in a net loss with respect to a client, an amount equal to such net loss will be credited to such client. The Company will reimburse such client, or cause such client to be reimbursed, as soon as reasonably practicable; provided that, to the extent of any losses due to a trade error caused by the mistake of a third party, such as a broker, the Company shall endeavor to recover such losses from such third party. If the trade error results in a net gain with respect to a client, such amount will be credited to the relevant client.

Item 13 – Review of Accounts

Review of Accounts:

Ascribe's investment professionals monitor investments on an ongoing basis. The Company's investment committee is responsible for conducting periodic reviews of each investment. Focused reviews, which may include input from numerous investment professionals, may be triggered by issuer-specific performance metrics, economic developments, changes in staffing, and changes in the competitive environment, among other things.

Reporting:

Ascribe and the Ascribe Funds will furnish audited financial statements and Schedule K-1 statements annually to all investors. On a quarterly basis, each investor will be furnished with unaudited financial statements and capital account information. Investors also will receive descriptive investment information for each of their respective Ascribe Fund's investments on a quarterly basis. Ascribe may furnish additional information from time to time as any investor may reasonably request.

Item 14 – Client Referrals and Other Compensation

Ascribe and its affiliates do not directly or indirectly compensate any person who is not a supervised person of the Company for client referrals. However, Ascribe has in the past and may in the future enter into placement agent or solicitation agreements pursuant to which it or an Ascribe Fund will compensate third-party intermediaries for investor referrals. Such compensation may take the form of a retainer and/or a percentage of introduced capital.

Ascribe or its affiliates may earn monitoring fees and other compensation from issuers in which the Ascribe Funds invest, transaction counterparties and others. Ascribe or its affiliates may also earn fees in connection with unconsummated transactions. Ascribe or its employees may receive compensation for serving on an issuer's board of directors. The receipt of fees and other compensation described above may pose a conflict of interest between Ascribe and its clients. This conflict is mitigated by the fact that such fees and reimbursements are generally disclosed to clients in each Ascribe Fund's confidential offering materials and disclosed to investors semi-annually. The entirety of such fees and expenses offset management fees otherwise payable by the Ascribe Funds.

Item 15 – Custody

Ascribe has custody, as defined in Rule 206(4)-2 under the Investment Advisers Act (the "Custody Rule"), of the assets of the Ascribe Funds as a result of the service of certain of Ascribe's affiliates as general partners of the Ascribe Funds. In order to comply with SEC requirements and ensure that the Ascribe Funds' assets are appropriately protected, Ascribe and its affiliates have arranged for annual audits of the Ascribe Funds' financial statements by a nationally recognized independent public accounting firm. These audits are to be distributed to investors by Ascribe within 120 days of each Ascribe Fund's fiscal year-end. Ascribe and its affiliates also have arranged for all of the Ascribe Funds' cash and any certificated securities required to be custodied under the Custody Rule to be held with qualified custodians.

Item 16 – Investment Discretion

Ascribe serves as the Ascribe Funds' investment adviser with discretionary authority to implement investment decisions for each Ascribe Fund. This authority is described in advisory agreements with each Ascribe Fund, as well as the Ascribe Funds' other governing documents. The Company will make investments that are believed to be consistent with the mandates described in the Ascribe Funds' governing documents, but otherwise has broad authority to select investments on a discretionary basis.

Item 17 – Voting Client Securities

Ascribe or its representatives may have the opportunity to vote on a variety of corporate actions on behalf of the Ascribe Funds. The Company has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care, and loyalty. For corporate actions that do not pose a conflict of interest, the Chief Investment Officer of Ascribe will determine how Ascribe should direct the Ascribe Funds to vote. For corporate actions that pose an actual or apparent conflict of interest, Ascribe's Chief Compliance Officer will determine if a Managing Director (other than the Chief Investment Officer) is able to make an independent determination, and if not, the matter will be presented to the applicable Ascribe Fund's limited partner advisory board in

accordance with the applicable Ascribe Fund's governing documents. Investors cannot direct the way in which the Company will vote on behalf of the Ascribe Funds.

Current and prospective investors in the Ascribe Funds may request a copy of Ascribe's written policies and procedures governing the voting of corporate actions. Current investors may also request information about the way in which Ascribe voted in connection with assets held by their respective Ascribe Funds.

The Ascribe Funds sometimes approve one or more Ascribe employees to act as representatives on the board of directors of an issuer. In situations where Ascribe votes the proxy for an issuer in which an employee or employees serve on the board of directors, Ascribe has determined that this does not inherently present a conflict of interest as the employee is on the board of directors as a representative of the Ascribe Fund. Ascribe believes that the Ascribe Funds' and the representative's role are aligned with respect to voting opportunities.

Item 18 – Financial Information

Ascribe has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to manage or meet its contractual obligations to the Ascribe Funds.

Item 19 – Requirements for State-Registered Advisers

Not applicable.