

Item 1 – Cover Page

ORCHARD

HOLDINGS

Form ADV: Part 2A
Investment Adviser Brochure

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March 30, 2020

This brochure provides information about the qualifications and business practices of Orchard Holdings Group, LLC. If you have any questions about the contents of this brochure please contact us at (513) 754-3500 and/or info@orchardholdings.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any state securities authority.

Additional Information about Orchard Holdings Group, LLC is also available on the SEC website at: www.adviserinfo.sec.gov.

Orchard Holdings Group, LLC is an investment adviser registered with the SEC. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2 – Material Changes

This brochure dated March 30, 2020 amends the previous annual amendment brochure dated March 27, 2019 and has been prepared according to the requirements and rules promulgated by the United States Securities and Exchange Commission ("SEC").

The following is a summary of the material changes since the amendment of the brochure dated March 27, 2019:

Item 4, Advisory Business – The total assets under management was amended to \$328,066,000 as of December 31, 2019.

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Item 4 – Advisory Business

Orchard Holdings Group, LLC, a Delaware limited liability company (“Orchard” or the “Adviser”) is based in Cincinnati, Ohio, and has been in business since 2010. Orchard began as the proprietary private equity group for the family of Richard T. Farmer, Founder of Cintas Corporation (NASDAQ: CTAS). Orchard has since evolved into a company owned by entities of Mr. Farmer’s family and by its two operating principals, Phil Collins and Peter Boylan.

Orchard is a highly specialized investment management firm with a limited clientele. Orchard primarily manages a limited number of private investment funds that invest in private equity and private debt investment opportunities (the “Funds”). Orchard also advises a limited number of separately managed accounts for individuals, trusts and certain entities (collectively, “Individual Clients”) with respect to specific direct investments and co-investment opportunities. Orchard identifies investment opportunities, monitors performance and manages the acquisition, oversight and disposition of the investments of each Fund. Affiliates of Orchard serve as the general partners or managing members (the “GPs”) of each Fund. The management services provided for each Fund are further described in that Fund’s offering memorandum, limited partnership or limited liability company agreement, and the management/advisory agreement (if any) between Orchard and a Fund (the “Documents”).

The primary focus of Orchard’s investment management services is identifying, evaluating, structuring, executing and managing privately negotiated investments in operating entities, with a primary focus on non-public middle market companies. In addition, Orchard opportunistically pursues investments in other types of securities, including but not limited to minority equity positions, growth equity investments, equity positions in public companies, structured credit products, debt investments and real estate. Orchard’s investment strategy is very opportunistic, but generally focuses on identifying investments that are advantaged by a longer-term time horizon and a greater degree of flexibility than traditional institutional investment funds.

From time to time, Orchard personnel and/or its consultants may serve on a portfolio company’s board of directors or otherwise act to influence control or management of a portfolio company on behalf of a Fund or Individual Clients that hold an interest in that company.

Orchard does not participate in any wrap fee programs.

Orchard generally does not take full discretionary authority regarding the investment of client assets. Rather, Funds (or sub-funds or Series within funds) generally are formed, and Individual Clients are contacted, to invest into a single or limited number of investment opportunities. Accordingly, it is unlikely that Orchard would need to allocate investment opportunities amongst multiple Funds or Individual Clients. If such a situation should arise, however, Orchard would allocate investment opportunities in accordance with the guidelines of each Fund’s offering documents.

As of December 31, 2019, Orchard managed approximately \$328,066,000 of client assets, all on a non-discretionary basis.

Item 5 – Fees and Compensation

As compensation for Orchard’s investment management services, an annual management fee is paid from each Fund or by each Individual Client. In general, the management fees range from 0% - 2% annually of either the total capital committed to a Fund by its investors or capital actually invested, or the total assets in a separately managed account of an Individual Client.

The amount of the management fee may vary for each Fund or each investor in a Fund, and for each Individual Client, and is determined through negotiations at the time the Fund or separately managed account is formed and generally is not changed thereafter. The management fee is generally invoiced quarterly in arrears or advance per each Individual Client's agreement or Fund's Documents, may be deducted from the Funds' or Individual Clients' assets, and is generally subject to waiver or reduction by Orchard at its sole discretion, including in connection with investments made by Orchard's affiliates or own personnel. Orchard has waived or modified fees borne by certain Orchard affiliates who have invested in the Funds. If management fees are invoiced in advance and the Fund or separately managed account is dissolved before the conclusion of the period covered by the advance payment, the unearned management fees are returned to the Fund or separately managed account in connection with its dissolution. Individual Clients generally pay fees economically similar to that of the Funds.

Orchard sometimes receives a fee from the portfolio company in which a Fund invests for professional consulting services provided by Orchard to such company. Such consulting fees may or may not be set off against management fees payable by Funds or Individual Clients to Orchard. It also is possible that portfolio companies will bear certain expenses which otherwise would have been the obligation of Orchard or the Funds and Individual Clients.

The GPs also generally receive a performance allocation or "carried interest." The Documents generally provide for a distribution waterfall pursuant to which the net proceeds realized by a Fund (both dividend or interest payments and proceeds from dispositions of a Fund's investments) are shared between the GP and the limited partners after the limited partners have been paid back their contributed capital and have received a preferred return. The preferred return to the limited partners may vary from Fund to Fund, and in some cases may include a catch up provision. The GPs may waive or reduce the carried interest that they receive in connection with investments by a particular limited partner. Individual Clients generally pay fees economically similar to the performance allocations or carried interest received from the Funds.

Orchard generally invests for the Funds and Individual Clients on a long-term basis. Accordingly, unless otherwise provided in a Fund's Documents or client agreements, Orchard generally expects investment management fees and management services fees to be paid over the entire life of a Fund on realized income. A GP's performance compensation is generally paid after a Fund's disposition of an investment although performance compensation may also be payable based on the realized income of a Fund's partial disposition of an investment but not on unrealized income.

To the extent provided in the Documents, Orchard pays out of its management fees, closing fees, and management service fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its managers, consultants and employees, and other routine administrative expenses related to the services and facilities that it provides to the Funds.

Subject to any special provisions contained in its Documents, each Fund or Individual Client bears all other expenses of its operation to the extent not borne by its portfolio company or companies (which may bear expenses relating to the management services provided). This includes organizational and offering costs, legal, accounting, insurance, consulting, research, brokerage (including investment banking) and finders' fees (if any), custody, transfer, registration, advisory board, interest, taxes, reporting, extraordinary expenses, and the costs of sourcing, investigating, identifying, analyzing, pursuing, negotiating, consummating, acquiring, holding, managing and selling actual or potential investments. With regard to brokerage and investment banking fees, please see the discussion below under Item 12, "Brokerage Practices."

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

The existence of performance-based compensation has the potential to create an incentive for Orchard to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such arrangement, although Orchard generally considers performance-based compensation to better align its interests with those of its investors. In addition, Orchard may have an incentive to allocate investments or otherwise provide preferential treatment to certain Funds if such Funds have more favorable performance-based compensation terms than other Funds. That potential notwithstanding all Orchard Funds and Individual Clients investing in a specific investment will be charged similarly structured, fully disclosed fees. Accordingly, Orchard believes it has no incentive or practical ability to favor accounts for which it may receive a performance-based fee or allocation.

Item 7 – Types of Clients

As described above under Item 4, “Advisory Business,” Orchard primarily manages a limited number of private investment funds (i.e., “Funds”) that invest in private equity and private debt investment opportunities, and also advises on a limited number of direct investments by certain individuals, trusts and entities. Orchard does not serve as the investment adviser to Individual Clients with respect to investments in the Funds. Orchard’s Funds are offered exclusively to accredited investors and qualified purchasers or knowledgeable employees of Orchard. Any required minimum investment amount is clearly disclosed in the offering materials of each Fund.

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

Methods of Analysis and Investment Strategies

Orchard’s Funds and Individual Clients primarily invest in either convertible and/or participating preferred stock, mezzanine debt securities, or common stock of private operating portfolio companies in negotiated transactions. The Funds and Individual Clients make both “control” and “non-control” investments. The Funds and Individual Clients also invest opportunistically in debt securities, structured products, real estate and public securities (both debt and equity). A Fund or Individual Client may engage in a joint transaction with other affiliated or unaffiliated private equity funds or investors, and Orchard may make an investment managed by a third-party manager.

Prior to making each investment, Orchard carries out an extensive analysis of a target portfolio company’s current operations, management, competitive position, financial strength, plans, and prospects. The due diligence analysis generally includes consideration of at least the following: target company’s market, product and services, and management; its regulatory, environmental, tax, legal, accounting contingencies; and liquidity.

In addition to portfolio company investments, Orchard opportunistically makes other investments in private or public securities and real estate. These investments are evaluated based on their projected risk adjusted returns based on their risk profile and liquidity, and their suitability for Orchard’s clients risk tolerance and objectives. Typically such analysis involves analyzing multiple potential scenarios and evaluating the probability associated with various potential return outcomes, including the probability of total or partial loss of investment and the potential impact of short term financial market volatility or dislocation. Orchard will perform extensive due diligence using a combination of in-house and/or outside third party resources.

Risk of Loss

Orchard primarily manages a limited number of private investment funds (i.e., the “Funds”) that invest in private equity and private debt investment opportunities, and also advises on a limited number of direct investments by certain individuals, trusts and entities. Accordingly, Orchard does not provide comprehensive advisory services to the Funds or Individual Clients for all or substantially of their investments.

As the investment strategies of Orchard are highly specialized, Funds and Individual Clients must be prepared to bear a complete loss of their investments. Investments pursued by Orchard may be risky, and a Fund's or Individual Client's account may be highly concentrated, possibly comprised of a single investment, and may be extremely illiquid and difficult to value.

Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment portfolios and/or our business. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that we or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact of a pandemic or disease outbreaks is unknown, which could result in a high degree of uncertainty for potentially extended periods of time.

Item 9 - Disciplinary Information

Orchard and its personnel have no disciplinary events.

Item 10 - Other Financial Industry Activities and Affiliations

Orchard has no other financial industry activities and affiliations.

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

Code of Ethics

Orchard endeavors at all times to operate in conformity with applicable law and to conduct its business in the highest ethical and professional manner. Orchard's Code of Ethics (the "Code") contains ethical principles and standards of business conduct to which personnel are held. The Code includes requirements of confidentiality relating to clients, disclosure of any conflicts of interests, and a personal trading policy.

Upon hire, all personnel are required to certify that they will comply with the provisions of the Code. Orchard reviews the Code with each new employee. Orchard's Chief Compliance Officer is responsible for overseeing compliance with the Code.

Orchard will provide a copy of its Code of Ethics to any client or prospective client upon request.

Conflicts of Interest

Orchard is an independent adviser and has sought to minimize or eliminate conflicts of interest so that investment decisions and other decisions are unencumbered by motives other than achieving clients' goals.

In addition, Orchard or its employees may also purchase or sell for themselves securities or other investments which one or more clients own, previously owned, or may own in the future. Orchard's key employees, and related entities, are allowed to invest personally in the Funds. The employees bear their proportional share of the expenses of the funds but do not pay any fees to Orchard. Orchard and its key employees may pursue investment opportunities which may not be suitable for the Funds or Individual Clients and which may be similar to or different from investments made by the Funds or

Individual Clients.

Orchard charges the Funds and Individual Clients performance fees which may create an incentive to recommend riskier investments.

Seeking to Minimize Other Potential Conflicts of Interest

Orchard seeks to minimize potential conflicts of interest between Orchard and clients and among different clients in numerous ways including the following:

- Orchard has written policies and procedures regarding conflicts of interest; and
- At all times, Orchard seeks to allocate investment opportunities fairly and equitably. Orchard generally pursues investment opportunities through special purpose funds for each specific investment opportunity.

Item 12 – Brokerage Practices

Private Equity Investments

Orchard generally does not engage in brokered transactions. Therefore, the Funds and Individual Clients generally do not pay brokerage, investment banking or finders' fees to third parties in connection with their initial investment in a portfolio company. However, the portfolio company itself typically pays an investment banking fee to a brokerage firm that was retained by the portfolio company to find potential investors and assist the portfolio company in negotiating the terms of Orchard's investment transaction, and the portfolio company may also pay a finder's fee to other persons. In addition, in connection with a transaction relating to the sale or redemption of a Fund investment or of the portfolio company's assets or businesses, the portfolio company may engage an investment banking firm, and perhaps other consultants, to advise it in connection with the transaction, with the related fees paid by the portfolio company or, depending on the kind of transaction, the investing Fund. Orchard does not participate in a portfolio company's selection and retention of such a broker or finder or the determination of the related fees in the Funds' acquisition transactions, but Orchard may participate in the choice, and in determining the terms of retention, of investment banking and other advisers in connection with sale or disposition transactions. If Orchard does so participate, decisions are made on the basis of the professional qualifications of the advisers in question and of the fees they propose to charge.

Other Investments

Orchard generally does not engage in brokered transactions. However, if a broker is used, brokers will be selected with a view to obtaining best execution of transactions. Orchard believes that best execution is typically achieved not necessarily by negotiating the lowest commission rate but by seeking to obtain the best overall result. Orchard will consider all factors it deems relevant including execution capabilities, financial stability of the broker, responsiveness, confidentiality, promptness, clearance, settlement, and price.

Item 13 - Review of Accounts

Orchard primarily manages a limited number of private investment funds (i.e., the "Funds") that invest in private equity and private debt investment opportunities and also advises on a limited number of direct investments by certain individuals, trusts and entities. Orchard generally pursues investment opportunities through special purpose funds (or sub-funds, classes or series of funds) for each investment opportunity. Therefore, all client accounts are monitored and reviewed on an ongoing and continuous basis.

Item 14 - Client Referrals and Other Compensation

Orchard does not compensate people outside of the firm for client referrals. Orchard does not receive payment from persons other than a client for providing services to clients.

Item 15 – Custody

Because Orchard's affiliated entities are the GPs of all the Funds, Orchard is deemed to have custody of the Funds' assets. Orchard complies with that rule by utilizing the so-called "audit approach" and is therefore not required to arrange for a qualified custodian, as defined in the rule, to send quarterly account statements to Fund investors. Each Fund is audited annually and upon its termination, with its audited financial statements sent to its limited partners within 120 days of the Fund's fiscal year end or promptly after the completion of a final audit.

Item 16 – Investment Discretion

As previously mentioned, Orchard generally does not have full discretionary authority regarding the investments of client assets.

Item 17 – Voting Client Securities

Orchard primarily manages a limited number of private investment funds (i.e., the "Funds") that invest in private equity and private debt investment opportunities and also advises on a limited number of direct investments by certain individuals, trusts and entities. Orchard generally does not invest in securities for Individual Clients which provide for the voting of such securities, and Orchard, therefore, generally does not have proxy authority to vote client securities.

Item 18 – Financial Information

Orchard is not subject to any financial condition that impairs its ability to meet contractual and fiduciary commitments to clients.