

Form ADV Part 2A: Firm Brochure

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This Brochure provides information about the qualifications and business practices of CIP Fund Management, LLC (“CIPFM”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Melissa Vlak at (212) 257-5000 or mvlak@cip-capital.com.

CIPFM is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

Item 2: Material Changes

In Item 2, for the annual updating amendment, CIPFM is to identify and discuss any material changes since the last annual updating amendment of March 31, 2019.

CIPFM has not made any material changes since the last annual updating amendment.

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Item 4: Advisory Business

CIP Fund Management, LLC (“CIPFM”) is a private equity investment adviser organized as a limited liability company under the laws of the State of Delaware and has been in business since October 2011. The principal owners of CIPFM are Scott Marden, Justin Lipton, and Melissa Vlak.

CIPFM provides discretionary advisory services to private equity funds CIP Capital Fund, L.P. (“CIP Capital I”), CIP Capital Fund II, L.P. (“CIP Capital II”), and CIP Capital Fund III, L.P. (“CIP Capital III”) (collectively, the “Funds”).

CIPFM focuses on investing in lower middle market companies across the business information and outsourced services sectors, with a focus on business process outsourcing, marketing services, knowledge services, and B2B Information management. Such companies typically will be organized under the laws of and/or have their principal place of business in North America, although Funds can invest up to twenty percent of its respective aggregate capital commitment in companies that do not meet either criterion.

As of December 31, 2019, CIPFM managed \$1,074,374,550 million of discretionary assets under management.

In providing services to the Funds, CIPFM formulates each Fund’s investment objectives, directs and manages the investment of the Funds’ assets, and provides reports to the Funds’ investors (“Investors”). Investment advice is provided directly to the Funds and not individually to the Investors. CIPFM manages the assets of the Funds in accordance with the terms of each Fund’s limited partnership agreement and other governing documents applicable to each Fund (the “Governing Fund Documents”). All material terms are generally established at the time of the formation of a Fund. CIPFM does not tailor its advisory services to the individual needs of any Fund’s Investors, and such Investors may not impose investment restrictions on the Funds; however, CIPFM, on behalf of the applicable Fund, has entered into side letters with some Investors.

Limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended, and the Funds rely on an exemption from registering as investment companies under the U.S. Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements.

Item 5: Fees and Compensation

The Governing Fund Documents set forth in detail each Fund’s fee and expense structure, and clients and investors also should consult the Fund Documents for further information on fees and expenses.

CIPFM receives compensation from a combination of management fees, carried interest allocations, and other fees payable by or in respect of portfolio or prospective portfolio companies. As referenced, some Investors have negotiated separate agreements, commonly referred to as “side letters,” or other similar agreements, which establish rights under, modify, or supplement the terms of the applicable Governing Fund Documents; and this includes in a manner that grants the Investor more favorable terms with respect to management fees and/or carried interest allocations (see Item 7 below for a more detailed discussion of side letters).

Management Fees: CIP Capital I currently pays CIPFM an annual management fee at a rate 1.75% per annum of aggregated capital contributions invested in portfolio companies. CIP Capital II currently pays CIPFM an annual management fee at a rate of 2% per annum of aggregated capital commitments of the Fund; such payment will be until the earlier of the end of the Fund’s investment period, any date that a management fee is payable to CIPFM by a subsequent private equity fund that has similar investment purposes to CIP Capital II and at least \$400 million in aggregate capital commitments, and any date any capital contribution is payable and due with respect to an investment in a portfolio company by a subsequent private equity fund that has similar investment purposes to CIP Capital II. Thereafter, the management fee paid by CIP Capital II will be 1.75% per annum of aggregated capital contributions invested in portfolio companies. CIP Capital III’s management fee structure is similar to CIP Capital II, and CIP Capital III also is currently paying 2% per annum of aggregated capital commitments of the Fund.

The management fee for each Fund is payable quarterly in advance, and CIPFM deducts such fees from the applicable Fund account. As referenced above, the management fee is based upon aggregate capital commitments of such Fund when calculated at the 2% rate, and aggregate capital contributions invested in portfolio companies that have not been subject to a disposition or full write-off thereafter, when at the 1.75% rate. Investors admitted to, or Investors increasing their capital commitments at, subsequent closings pay their share of management fees called to date, plus interest at prime rate plus 2% per annum. CIPFM reserves the right to waive or reduce management fees for certain Investors, including employees, a limited number of strategic partners, and others as may be determined in CIPFM’s sole discretion, and has in fact done so. Any pre-paid and unearned fees will be refunded pro rata if the advisory contract is terminated before the end of the billing period. Currently, through an offset, CIPFM redirects a portion of its management fee CIPFM receives from CIP Capital II and CIP Capital III to a placement agent engaged for CIP Capital II and CIP Capital III.

Carried Interest Allocations: Please see Item 6 of this Brochure for information on performance based fees.

Other Fees, From Portfolio Companies; Break Up Fees; and Offsets: CIPFM is entitled to and/or has receive(d) transaction fees, monitoring fees, director fees, investment banking fees, management consulting fees, and placement fees from portfolio companies or proposed portfolio companies (“Other Fees”). Eighty percent of Other Fees earned is allocated and applied to reduce the management fees paid by the Fund, as applicable, CIP Capital I or CIP Capital II; and 100% of Other Fees earned is allocated and applied to reduce the management fees paid by CIP Capital III. CIPFM also is entitled to and/or has receive(d) fees in connection with a potential investment that is not ultimately made or a disposition that is not actually consummated (“Break-up Fees”). One

hundred percent of any Break-up Fees earned is applied to offset any broken-deal expenses incurred in relation to the unconsummated investment or disposition, and any surplus will be applied to reduce the applicable management fees going forward. Operating network executives may be an Investor, eligible for carry, and/or may receive fees for due diligence work; fees and compensation they receive from portfolio companies, if any, are not through CIPFM nor offset against the management fees paid to CIPFM.

Other Expenses Charged to the Funds and Investors: Investors will bear indirectly (to the extent not reimbursed by a portfolio company) fees and expenses charged to the applicable Fund. In addition to the management fees and carry, Funds (and Investors) are responsible for costs and expenses related to, among other things: (i) out-of-pocket investment costs; (ii) investigating, acquiring, monitoring, distributing, and disposing of investments; (iii) taxes; (iv) auditors, attorneys, consultants, accountants, third party appraisers, third party administrators, and other professionals; (v) interest expenses on borrowings and expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee; (vi) organizational expenses; (vii) broken deal expenses and out-of-pocket expenses incurred in connection with a potential investment that is not ultimately made or a potential disposition that is not actually consummated; (viii) L.P. Advisory Committees (including, without limitation, meeting expenses and reasonable fees and expense of outside counsel retained by the L.P. Advisory Committee); (ix) insurance; (x) documents and recordkeeping in connection with the business and administration of the Fund; (xi) threatened or actual litigation involving the Fund and the amount of any judgment or settlement paid in connection therewith; (xii) reporting and providing information to Investors; (xiii) certain fees and expenses of senior advisors and operating partners if not borne by the corresponding portfolio company; (xiv) compliance expenses relating to the operation of the Fund or its investments including, without limitation, regulatory filing expenses and (xv) custodial and brokerage expenses, and other transaction costs. For a full accounting of all expenses charged and/or incurred, please refer to the pertinent Governing Fund Documents. Although the Funds do not generally use broker-dealers due to the private equity nature of investments, please see Item 12 of this Brochure for more discussion on brokerage.

Overhead Expenses: Each Fund's General Partner and CIPFM will pay its respective ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits, and rent.

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

CIPFM will allocate a portion of the net realized investment profit of each Fund to the capital account of the Fund's respective General Partner as "Carried Interest." The precise manner of calculation of such Carried Interest is disclosed in the pertinent Governing Fund Documents. Generally, however, 20% of the investment profits of a Fund are allocated as Carried Interest to the applicable General Partner subject to a preferred return of 8% per annum, and subject to a General Partner catch-up and an Investor clawback.

The General Partner may waive or reduce Carried Interest for certain Investors, including employees and/or a limited number of strategic partners, and has done so.

The fact that a portion of manager compensation is directly computed based on profits generated by the sale or disposition of Fund assets may create an incentive for CIPFM to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. Where funds differ in their calculation of carried interest, it may create an incentive for an adviser to favor one fund over another. CIPFM will manage each Fund within the parameters of each Fund's Governing Fund Documents and in the best interests of the Fund. Additionally, CIPFM has adopted policies to address investing and the allocation of transactions (as discussed in more detail in Item 12) to prevent the conflict from influencing the investments and allocation of investments.

Item 7: Types of Clients

CIPFM provides discretionary management and advisory services to the Funds, and not individually to the Investors. Investors in the Funds must meet eligibility requirements and include, but are not limited to, high net worth individuals, pension plans (corporate, state, and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for an Investor is outlined in the applicable Governing Fund Documents but is typically \$5,000,000; however, CIPFM maintains discretion to accept less than the minimum investment threshold.

As referenced, some Investors have separately negotiated agreements, commonly referred to as "side letters," or other similar agreements, that were made in connection with the Investor's admission to a Fund. These are generally executed without the approval of any other Investor, and have the effect of establishing rights under, modifying, or supplementing the terms of the Fund's Partnership Agreement in a manner more favorable to such Investor than those applicable to other Investors. Such rights or terms may include, without limitation: (i) preferential management fee and Carried Interest allocation arrangements; (ii) rights of first refusal to co-invest with such Fund in individual portfolio companies through special purpose and/or subsidiary co-investment vehicles; (iii) excuse rights applicable to particular investments (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such investments); (iv) reporting obligations; (v) waiver of certain confidentiality obligations; (vi) consent to certain transfers; and/or (vii) rights or terms requested or necessary in light of particular investment, legal, regulatory or public policy characteristics of an Investor. Unless otherwise agreed, CIPFM will not be required to notify any of the other Investors of any such agreements, or rights, terms, or provisions thereof; nor will CIPFM, on behalf of a Fund, be required to offer such additional or different rights or terms to any other Investor.

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

Methods of Analysis and Investment Strategies

CIPFM researches, targets, and actively pursues companies that meet its investment criteria. CIPFM's investment strategy is to generate attractive risk-adjusted returns by identifying and investing in lower middle market companies across the business information and outsourced services sectors, with a focus on business process outsourcing, marketing services, knowledge services, and B2B Information management. Such companies typically will be organized under the laws of and/or have their principal place of business in North America, although each Fund may invest up to twenty percent of its aggregate capital commitment in companies that do not meet either criterion.

CIPFM concentrates on “*platform investments*” where it believes growth can be driven both organically and through add-on acquisitions and where CIPFM believes it can leverage its operating experience and senior network to drive value creation. CIPFM focuses on “buy and build” platforms in fragmented markets with multiple accretive add-on acquisition opportunities. CIPFM strives to grow niche businesses with “sector tail winds,” capital-light/high margin business models, and a diverse customer base with high retention.

CIPFM seeks to invest primarily in control positions using prudent amounts of leverage and/or alongside equity co-investments. CIPFM seeks to invest in companies where it believes there are clear exit opportunities.

Upon making an investment, CIPFM seeks to leverage its investment team's industry perspective and previous operating experience to serve as a value-added partner to a portfolio company's management team. CIPFM works closely with portfolio company management teams to provide strategic resources to accelerate organic growth opportunities, develop “tuck-in” acquisition strategies, and implement operational efficiencies.

Risk of Loss

Investing in the private equity space has particular risks. The following is a discussion of some risks involved in carrying out the Funds' investment strategies, however, it does not represent a full accounting of all risk. Investors should review the pertinent Governing Fund Documents, read and understand all relevant Fund documentation, consult with all necessary professionals before investing in any Fund, and understand all risks and potential conflicts of interest. All investment involves the risk of loss, which clients and Investors must be prepared to bear, including to principal. There can be no assurance that any Fund will achieve returns on investment or that there will be any return of capital.

Projections: Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. 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.

Illiquid and Long-Term Investments - Market Risks: An investment in a Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to Investors. Many of a Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner. Distributions in kind of illiquid securities to the Investors may be made in certain circumstances. Although certain investments by a Fund may generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, the sale typically will occur a number of years after the investment was made. A Fund generally will not be able to sell its investments unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, a Fund may be prohibited by contract from selling certain securities for a period of time.

Reliance on Portfolio Company Management: Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. The pertinent Fund intends to seek management rights, including board representation or other rights or an influential position over a portfolio company. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where the Fund may be represented on management boards or have other management rights, the Fund does not expect to have an active role in the day-to-day operations of its investments. The success or failure of many of the Fund's portfolio companies may depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability, or resignation could adversely affect the performance of the portfolio company.

Financial Fraud: Instances of fraud and other deceptive practices committed by senior management or employees of portfolio companies in which a Fund invests may undermine CIPFM's due diligence efforts with respect to such companies and, if such fraud occurs, negatively affect the valuation of the Fund's investments. In addition, when discovered, fraud may contribute to overall market volatility that can negatively impact the Fund's investment program.

Availability of Suitable Investment Opportunities and Lack of Public Market: The management buyout and private equity investment industry in which a Fund will be engaged is highly competitive. There can be no assurance that a Fund will be able to locate and complete investments that satisfy the Fund's rate of return objectives or realize upon their values, or that a Fund will be able to invest fully its committed capital.

Limited Number of Investments: A Fund may participate in a limited number of investments and, as a consequence, the aggregate return of a Fund may be substantially and adversely affected by the unfavorable performance of a single investment.

Reliance on Personnel: The success of a Fund depends in substantial part upon the skill and expertise of CIPFM and its investment team. Investors will be relying entirely on such persons to manage the affairs of the Fund, including investment and disposition decisions. There can be no assurance that any one of the key investment professionals will continue to be associated with

CIPFM throughout the life of a Fund, and the loss of the services of any one or more of such professionals could have an adverse impact on a Fund's ability to realize its investment objectives.

Foreign Investment Risks. CIP Capital I and CIP Capital II each may invest up to twenty percent of its committed capital in issuers that have their principal place of business, or derive a majority of their revenue, outside North America. Foreign investments pose a range of potential economic, political and legal risks that might not exist in the United States. The economies of individual countries may differ with respect to growth of gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Prospective investors should note that each country has different standards of regulation with respect to matters such as government approval requirements, as well as insider trading rules, restrictions on market manipulation, shareholder proxy requirements and timely disclosure of information. In addition, reporting, accounting and auditing standards of different countries vary, and little information may be available to investors in securities or other assets of such issuers. Other potential risks that could have an adverse effect on investments include (depending on the country involved) nationalization, expropriation, confiscatory taxation, negative diplomatic developments and political or social instability. In addition, the laws of various countries governing business organizations, bankruptcy, and insolvency may make legal action difficult and provide little, if any, legal protection for a Fund. The private equity markets in many foreign countries may be significantly less developed than the private equity market in the United States.

Currency Risk: Some investments may be purchased with and payable in non-U.S. currencies. Fluctuations in currency rates may adversely affect the performance of a Fund's investments in non-U.S. issuers. Furthermore, investments outside the United States or denominated in non-U.S. currencies pose other currency exchange risks, including restrictions on repatriation of proceeds of investments, devaluation and non-exchangeability.

Risks of Investing in Lower Middle Market Companies: Lower middle market companies face significant risks including, among others, intense competition from larger companies with greater financial and other resources, product obsolescence, inability to commercialize a product or concept, and lack of availability of qualified personnel.

Need for Follow-On Investments in Portfolio Companies: Certain investments that a Fund will make may need additional capital, or a Fund may have the opportunity to increase its investment in a successful business. There is no assurance that a Fund will be entitled or able to make follow-on investments. The inability to obtain such follow-on capital, or any decision by a Fund not to make follow-on investments, may have an adverse effect upon a Fund's investment.

Investments with Co-Investors: A Fund may invest in one or more investments with certain strategic investors, lenders, Investors, affiliates, and/or other third parties through joint ventures or other entities, which parties in certain cases may have different interests to those of the Fund. In addition, the Fund's investments will be subject to typical risks in connection with third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to block action in a manner contrary to the Fund's investment objectives. The Fund may also in certain circumstances be liable for the actions of its

third-party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve carried interests or fees payable to such third-party partners or co-investors, thereby reducing the distributions to the Fund. In addition, such co-investments may or may not be on substantially the same terms and conditions as the Fund, and such different terms may be disadvantageous to the Fund or to any investor participating directly or indirectly therein.

Market Volatility: At various times in the past, volatile market conditions have had a dramatic effect on the value of private investments. In addition, terrorist attacks, other acts of violence or war, health epidemics or pandemics, natural hazards, and/or force majeure may affect the operations and profitability of a Fund's portfolio companies. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. Any of these occurrences could have a significant impact on the operating results and revenues of a Fund's portfolio companies and, in turn, on the return of a Fund's investments.

General Economic Conditions: General economic conditions may affect a Fund's activities and the performance of its portfolio companies. Interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, and general levels of economic activity may affect the value and number of investments made by a Fund or considered for prospective investment. The profitability of a significant portion of a Fund's investment program depends, to a great extent, on correct assessments of the future course of price movements of securities and other instruments. There can be no assurance that CIPFM will be able to accurately predict these price movements. Economic conditions, in general, and the securities markets, in particular, have, in recent years, been characterized by great volatility and unpredictability. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, could be restricted. This 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 their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

Government Regulation and General Political Risk: A Fund may invest in companies that are regulated by or whose clients are regulated by governmental entities. Government regulations may affect the profitability of certain of these companies or limit the concentration of ownership and control of such companies, thus possibly preventing a Fund from making certain investments that it would otherwise make. In addition, the future of these regulations may be unpredictable due to political, economic and market developments, and may require a Fund to incur substantial additional costs or lengthy delays in connection with the completion of an investment.

Leverage: A Fund's investments are expected to include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although CIPFM will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry.

Bridge Financing: A Fund may provide bridge financing in connection with one or more of its equity investments. The Fund will bear the risk of any changes in capital markets, which may adversely affect the ability of a portfolio company to refinance any bridge investments. If the portfolio company were unable to complete a refinancing, the Fund could have a long-term investment in a junior security, or that junior security might be converted to equity.

Contingent Liabilities on Dispositions: In connection with the disposition of an investment, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. A Fund also may be required to indemnify the purchasers of such investment with respect to certain matters, including the accuracy of such representations. These arrangements may result in contingent liabilities, for which a Fund may establish reserves or escrow arrangements.

Indemnification: CIPFM, the General Partners, and their respective members, investors, shareholders, directors, officers, employees, agents and affiliates, will be entitled to indemnification from the relevant Funds, except in certain circumstances. The assets of such Funds will be available to satisfy these indemnification obligations, and Investors may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of any Fund.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. CIPFM has no such legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

CIPFM provides investment advisory services to the Funds. Neither CIPFM nor its management persons are registered as a broker-dealer, future commission merchant, commodity pool operator, commodity trading advisor, or have a pending application to register, and neither are they associated persons of such entities.

CIP Capital GP, L.P., CIP Capital GP II, L.P., and CIP Capital GP III, L.P. serve as the general partners of CIP Capital I, CIP Capital II, and CIP Capital III, respectively; and CIP Capital GP LLC, CIP Capital GP II LLC, and CIP Capital GP III LLC serve as the general partner to these general partners, respectively. The general partners are comprised of the three CIPFM employees who are owners of CIPFM.

Pursuant to the operating and management agreements, CIPFM's management employees can, and in some instances have, maintained board positions with the portfolio companies; and, in that capacity, will be required to make decisions that consider the best interests of such portfolio

companies and their respective shareholders. Conflicts of interest could present themselves between an individual's role at CIPFM and their role as director of the portfolio company, however, CIPFM believes the interest of the portfolio companies are generally aligned with the best interests of the Funds.

There are additional entities formed as part of the investment structure, for example, parent, intermediate or holding company entities, which are Delaware limited liability companies or corporations. The entities are and may be organized for legal, tax, regulatory, or other purposes. These vehicles can and do include third party investors, strategic and relationship co-investors, and/or senior CIPFM management. Such opportunities are offered on a deal-by-deal basis, and CIPFM is not obligated to offer any such opportunity to any Investor or other person. For example, and without limitation, CIPFM may offer or allocate them depending on (i) the size of an investment opportunity and whether it exceeds the aggregate desired allocation to the Fund; (ii) the stated interest of the prospective co-investor; and/or (iii) the ability of a prospective co-investor to analyze or consummate a potential opportunity on an expedited basis.

Two portfolio companies provide services to CIPFM, and others may do so in the future. Such services are and will be in accordance with a services contract following due diligence, provided in the ordinary course of business, and on terms deemed to be on an arm's length basis and no less favorable than could be obtained from an unaffiliated third party. Because such entities and/or one or more of their beneficial owners may own direct or indirect interests in the Fund or the investment entities, a conflict of interest could arise. Such entities or beneficial owners retain all compensation received by them on the service terms, and there shall be no reduction of the pertinent management fees as a consequence thereof. CIPFM monitors for conflicts of interest.

CIPFM works with Operating Partners and Senior Advisers. Such engagements are at arms-length and these persons are not employees of CIPFM. They may obtain, and have obtained, investment or interest in or alongside a Fund. These relationships are common in the private equity industry, and CIPFM works with them in the best interests of the Fund.

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, CIPFM has adopted a written Code of Ethics (the "Code") predicated on the principle that CIPFM owes a fiduciary duty to the Funds. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners, and employees of CIPFM (the "Employees"), and some terms are also applicable to immediate family members sharing the same household. CIPFM requires its Employees to act in the Funds' best interests, abide by all applicable regulations and avoid any action that is legally or ethically improper.

CIPFM requires pre-clearance before purchasing an IPO or limited offering. CIPFM also requires periodic reporting of personal securities transactions and holdings and requires prompt internal reporting of Code violations. The Code contains recordkeeping and other provisions, including regarding gifts, entertainment, and political contributions, to assist CIPFM and Employees to monitor and maintain professional and ethical conduct standards. A copy of CIPFM's Code is available upon written request to CIPFM at 400 Madison Avenue, Suite 3A, New York, New York 10017, Attn: Melissa Vlak, Chief Compliance Officer.

CIPFM, its employees, or a related entity has an investment in the Funds, and CIPFM, its employees, and related entities participate in Fund transactions. For example, the General Partner for each of CIP Capital I and CIP Capital II is 100% owned by CIPFM principals. In addition, CIPFM or a General Partner may participate in a Fund's investment program by agreeing to commit a certain percentage of the Fund's total capital commitments or a certain amount as defined in the Fund's Governing Documents.

Item 12: Brokerage Practices

Best Execution

CIPFM focuses on making investments in private securities and does not ordinarily deal with any financial intermediary such as a broker-dealer; therefore, broker-dealer commissions are not ordinarily payable in connection with Fund investments. To the limited extent a Fund transacts in public securities, or other non-private equity investments, CIPFM will seek to obtain best execution. CIPFM intends to select brokers based upon the broker's ability to provide best execution for its Funds. CIPFM is generally authorized to make the following determinations, subject to the Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of its Investors: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions.

Soft Dollars

CIPFM does not participate in any soft dollar arrangements, although it may receive research from broker-dealers that is available to other institutional investors. To the limited extent CIPFM transacts in public securities, or other non-private equity investments, CIPFM will not separately compensate such broker-dealers for such research and does not believe that it "pays-up" for such broker-dealers' services.

Referrals

CIPFM will not consider whether it, or any of its related persons, receives referrals from a broker-dealer before selecting that broker-dealer to execute client transactions.

Aggregation of Accounts

As stated, CIPFM's makes private equity investments. While CIPFM operates and advises on more than one Fund at a time, investment periods typically differ. CIP Capital I and II are both fully

invested platforms; new platform investments are expected to be for CIP Capital III. Follow on investment opportunities, however, will be made available to the fund with the original platform investment, prior to offering to the subsequent fund.

Item 13: Review of Accounts

All client accounts are regularly reviewed by CIPFM's Investment Committee. The portfolio companies are reviewed on a regular basis, and the investment personnel meet periodically to discuss investment ideas, economic developments, industry outlook, and other issues related to current portfolio holdings, valuation, and potential investment opportunities. CIPFM's Chief Financial Officer/Chief Compliance Officer reviews accounts not less than monthly and usually daily.

CIPFM provides each Investor with the following written reports in accordance with the terms of the applicable Governing Fund Documents: (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) annual tax information necessary to complete any applicable tax returns. CIPFM also holds annual meetings with the Investors.

Item 14: Client Referrals and Other Compensation

CIPFM engaged a third-party placement agent to introduce prospective Investors to CIP Capital II and III, respectively. The placement agent fee, paid by the Fund, is reimbursed by CIPFM through an offset of CIPFM's management fee for the respective Fund.

Please see Item 5 regarding compensation received from portfolio companies.

Item 15: Custody

CIPFM has custody of client accounts. As the adviser and general partners to the Funds, CIPFM and its related persons have access to the respective Fund's cash and securities. Additionally, as stated in Item 5, CIPFM deducts the advisory fee. All cash is held at a qualified custodian(s), and private securities are held in accordance with the guidance of the Securities and Exchange Commission. CIPFM receives regular statements from the qualified custodian(s). Investors will not receive statements from the qualified custodian; instead, the Funds are annually audited, and the audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles and distributed within 120 days of the Fund's fiscal year end. Investors should review and compare all statements from CIPFM and others, including the unaudited quarterly statements, the annually audited statements, and any other periodic reporting.

Item 16: Investment Discretion

Subject to the Governing Fund Documents, CIPFM has discretionary authority to determine the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17: Voting Client Securities

CIPFM's Funds are primarily invested in privately-held portfolio company investments that typically do not issue proxies. However, if CIPFM receives any proxies with respect to a publicly traded portfolio company, it is and will be CIPFM's policy to exercise the proxy vote in the best interest of its Funds, taking into consideration all relevant factors, including without limitation, acting in a manner that CIPFM believes will (i) maximize the economic benefits to the relevant Funds and (ii) promote sound corporate governance by the issuer. On rare occasions, CIPFM may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

CIPFM seeks to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, CIPFM generally seeks and accepts the election of one or more CIPFM representatives to serve on the board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where CIPFM is required to vote the proxy for a company in which employees of CIPFM serve on the board of directors, CIPFM believes that any conflict of interest is mitigated as the sole purpose of this representation is to maximize the return on the Funds' investments in such portfolio company. Accordingly, while CIPFM is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of CIPFM's Funds. In situations where CIPFM perceives a material conflict of interest, the circumstances surrounding such potential conflict will be reviewed with CIPFM's Chief Compliance Officer, who will be responsible for recommending the appropriate action, which may include removing certain of CIPFM's employees from the proxy voting process.

All proxies that CIPFM receives will be treated in accordance with these policies and procedures. A copy of CIPFM's written proxy voting policies and procedures, as well as a record of how CIPFM has voted in the past, will be maintained and available for review upon written request to CIPFM at 400 Madison Avenue, Suite 3A, New York, New York 10017, Attn: Melissa Vlak, Chief Compliance Officer.

Item 18: Financial Information

CIPFM (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients, and (iii) has not been subject to any bankruptcy proceeding.