

Item 1. Cover Page

22C CAPITAL LLC

Form ADV, Part 2A
(the “*Brochure*”)

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March 26, 2020

This Brochure provides information about the qualifications and business practices of 22C Capital LLC (“we”, “22C” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact Eric Edell at 212-224-0633 or eje@22ccapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Item 2. Material Changes

The Adviser does not consider any of the information contained in this version of the Brochure to represent a material change from the information contained in its version dated June 27, 2019. Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety. To receive an additional current copy of this Brochure free of charge, please contact Eric Edell at 212-224-0633 or eje@22ccapital.com.

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Item 4. Advisory Business

22C Capital LLC (“we”, “22C” or the “Adviser”) is an investment advisory firm with its principal place of business in New York, New York and organized as a limited liability company under the laws of the State of Delaware. The Adviser commenced operations as an investment adviser in November of 2017. 22C is ultimately owned and controlled by Eric Edell and D. Randall Winn, (the “Principals”).

22C provides discretionary and other investment advisory services to its advisory clients (collectively, “Clients”), including 22C Capital I, L.P. and any parallel investment vehicles (“Fund I”), 22C Capital I-A, L.P. (“Fund I-A”) and other pooled investment vehicles for which 22C serves as the investment adviser (or in a similar capacity) (collectively, the “Funds”). 22C tailors its advisory services to the specified investment mandates of its Clients, consistent with the Client’s governing documents, which may include, among other things, a private placement memorandum, limited partnership agreement, management or investment advisory agreement, and/or subscription agreement (individually and collectively, the “Governing Documents”). Any investor or prospective investor in a Fund (an “Investor”) should closely review the applicable Governing Documents with respect to, among other things, the terms, conditions and risks of investing.

As of December 31, 2019, 22C managed approximately \$564,075,383 in regulatory assets under management on a discretionary basis.

22C currently does not provide investment advisory services to clients apart from its management of the Funds and does not participate in wrap fee programs. 22C may, from time to time in the future, serve as the investment adviser or management company for additional funds or other accounts.

Item 5. Fees and Compensation

22C charges certain of the Clients an investment management fee (the “Management Fee”). The Management Fee for each Client is provided for in such Client’s Governing Documents. The Management Fee for Fund I and Fund I-A is generally payable to 22C quarterly in advance and during the investment period is based on the commitments of the Investors and after the investment period is based on the funded commitments of the Investors.

22C and its affiliates and their respective employees may receive transaction, consulting, advisory, directors’, monitoring, break-up or similar fees in connection with portfolio investments or prospective portfolio investments of their Funds. In addition, representatives of 22C or an affiliate thereof may serve on the board of directors of a portfolio company. With respect to Fund I and Fund I-A, 100% of each Investor’s allocable share of any such fees will be applied, net of applicable expenses, to reduce future payments of the Management Fee in respect of such Investor (but not below zero) (“Offset Fees”); provided, however, that such fees and other compensation to be included in Offset Fees are subject to certain limitations and exceptions that are further detailed in the relevant Governing Documents.

In addition, the Clients are generally subject to an incentive fee or incentive allocation (collectively, the “Performance Fee”) of 20% of all income, gains and losses derived from portfolio investments that exceed a hurdle rate. In Fund I and Fund I-A, if certain Investors receive aggregate distributions equal to five times their aggregate capital contributions made as of such time, such Investors will be subject to a Performance Fee equal to 25%. 22C, or an affiliate thereof, is paid or allocated the Performance Fee. Please refer to each Client’s respective Governing Documents for further information and important details related to the calculation and payment of Performance Fees.

22C, in its sole discretion, may waive or modify the Management Fee and the Performance Fee for Investors that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large, strategic or other Investors.

In connection with our advisory services, our Clients generally bear, or have borne, each of their own operating and investment-related expenses, including, for example: expenses incurred in connection with the identification, structuring, negotiation, making, sourcing (including any retainers, success and finder’s fees and other compensation paid to investment banking consultants and senior advisors), researching, holding, monitoring, development, ownership, operation, management, financing, sale, restructuring, proposed sale or restructuring, other disposition or valuation of portfolio investments and temporary investments or investments and temporary investments considered for the Client (including due diligence in connection therewith), including, but not limited to, legal, accounting, audit, consulting, appraisal, travel, lodging, transportation, meals, entertainment, hedging and other expenses, the attendance at conferences in connection with the evaluation of potential portfolio investments or specific sectors or industries solely to the extent that such conferences are in furtherance of Client business, and expenses for business development and entertainment directly related to the development and management of portfolio investments and any prospective portfolio investments, in each case, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third party; premiums for D&O insurance and other insurance protecting the Client and any indemnified party from liabilities; legal, trustee, paying agent, recordkeeping, auditing and accounting fees and expenses; expenses related to the administration of the Client or its subsidiaries, including, but not limited to, fees, expenses and costs of a third party administrator, fees, expenses and costs incurred in connection with the preparation and circulation of drawdown notices and distribution notices (including, without limitation, fees, expenses and costs of service providers), the maintenance of the Client’s books of account and the preparation of audited or unaudited financial statements required to implement the provisions of the Governing Documents or by any governmental authority with jurisdiction over the Client (including those of independent auditors, accountants and counsel, those of preparing and circulating the reports called for by the Governing Documents (including, without limitation, Schedules K-1 or other similar schedules), and any fees or imposts of a governmental authority imposed in connection with such books and records and statements) and other routine administrative fees, costs and expenses, including, but not limited to, those relating to the preparation of tax returns, cash management expenses and insurance and legal expenses and other reports to Client Investors; auditing, investment banking, accounting, banking and consulting

fees and expenses; appraisal expenses, including the cost of any independent valuation expert; expenses related to the organization, documentation and maintenance of persons through or in which portfolio investments may be made (including, without limitation, alternative investment vehicles, holding vehicles and parallel investment vehicles and the Client's and their respective subsidiaries); expenses of the Client advisory committee and expenses of meetings thereof (including travel expenses and expenses of any independent counsel engaged by the advisory committee in connection with a continuation vehicle, if applicable); taxes and other governmental charges, fees and duties payable by the Client (including interest and penalties thereon), in each case, except to the extent that such amounts are (i) allocable to, or indemnifiable by, an Investor and (ii) actually borne or paid by such Investor, and all expenses incurred by the tax matters representative, as provided in the Governing Documents, or in connection with any tax filing, audit, examination, investigation, settlement or review of the Client; costs of any meetings with Investors, including the Investor annual meetings (including accommodation, meal, event, entertainment, travel of employees and strategic advisors and other similar expenses and costs related thereto); costs of winding up and liquidating the Client, any alternative investment vehicles, holding vehicles, parallel investment vehicles and their respective subsidiaries; costs and expenses related to any filing, notification or other regulatory requirements or obligations applicable to the Client and/or, to the extent related to the Client, 22C and its affiliates (including Form PF and those relating to the AIFM Directive (as defined in the Governing Documents) but excluding Form ADV); costs, expenses, interest and liabilities related to borrowings, guarantees and credit support and other obligations, including bridge financing as permitted by the Governing Documents, including all legal, audit, accounting, consulting, appraisal and other expenses (to the extent not subject to reimbursement) incurred in connection therewith; expenses incurred in connection with the implementation of environmental, social and governance policies in connection with the activities of the Client or any portfolio investment or proposed portfolio investment, including due diligence and reporting; expenses relating to a defaulting Investor; expenses incurred in connection with hedging transactions; expenses incurred in connection with any restructuring or amendments to the constituent documents of the Client and related entities, including the applicable general partner or entity in a similar role (a "General Partner"), to the extent necessary to implement a restructuring or amendment to the Governing Documents; expenses incurred in connection with distributions to Investors; expenses incurred as a result of a proposed transaction or investment by the Client that is not consummated, to the extent not reimbursed by a third party (including break-up fees and fees and expenses related to unconsummated transactions and including expenses and costs that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such persons); extraordinary expenses, including costs and liabilities incurred in connection with litigation, investigations, settlements or review of the Client or other extraordinary events, and indemnity expenses, including the amount of any judgments or settlements; expenses incidental to the transfer, servicing and accounting for the Client's cash and securities, including all charges of depositaries and custodians; designated fund investment expenses; communications expenses (including any software or online data portal used in connection with reporting); expenses incurred in connection with a purchase, sale, assignment, pledge or transfer of all or a portion of a Client Investor's interest in the Client or the withdrawal or termination of an Investor (except to the extent allocable to or payable by, and actually borne and paid by, the applicable purchaser or Investor,

assignee, pledgee or transferee, as the case may be); fees, costs and expenses of anti-money laundering or “know your customer” compliance, tax diligence expenses and/or related procedures; and out-of-pocket expenses incurred in connection with the collection of any amounts due to a Fund from any person.

Subject to the foregoing, (x) certain expenses of the Client or the General Partner incurred in connection with making, holding or otherwise disposing of, or otherwise relating to, a portfolio investment may be borne or reimbursed by the applicable portfolio company and, as such, will not be paid by the General Partner or the Client and (y) to the extent that any Client expense is an expense of the Client and of one or more parallel investment vehicles, including the costs, expenses and liabilities incurred in connection with the acquisition, disposition and holding of, or otherwise relating to, a portfolio investment, such expense will be borne pro rata among the Client and such parallel investment vehicles, based upon their respective aggregate commitments.

Additional information on fees and expenses incurred by Clients can be found in each Client’s applicable Governing Documents. Neither we nor any of our Supervised Persons (as defined below) accept compensation in connection with the sale of interests in the Clients.

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

As discussed in Item 5, 22C has entered into performance fee arrangements with each of its Clients. Such fees are set forth in detail in each of its Clients’ Governing Documents.

Performance-based compensation may create an incentive for 22C to cause a Client to make investments that are riskier and more speculative than it would otherwise make. Performance based fee arrangements may also create an incentive to favor higher performance fee paying Clients over other Clients in the devotion of time, resources and allocation of investment opportunities. We have adopted an allocation policy to manage these potential conflicts.

A Fund may be required to bear all broken deal fees, costs and expenses associated with a co-investment where a portion of an investment is expected to be sold to co-investors after closing and such acquisition falls through or co-investors do not agree to bear such fees, costs and expenses.

Item 7. Types of Clients

Currently, 22C’s Clients are pooled investment vehicles. Investors in these vehicles include or may in the future include (but are not/will not be limited to):

- individuals;
- pension and profit sharing plans (domestic and foreign);
- segregated accounts formed by insurance companies;
- family offices;
- trusts, estates, charitable organizations, foundations and endowments; and

- limited liability companies and corporations.

Investors generally must be “Accredited Investors” under Regulation D under the Securities Act, “Qualified Purchasers” under the Investment Company Act and “Qualified Clients” under the Advisers Act eligible to be charged a performance fee.

Generally, the Clients have a stated minimum investment amount of \$10 million. 22C has the discretion to waive minimum investment requirements for investment in the Clients and has done so in the past.

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

On behalf of its Clients, 22C’s primary investment purpose and objective will be to generate significant capital appreciation and other investment returns by making investments in companies primarily in North American and Western European middle market companies in the business services, healthcare services and financial services sectors. 22C seeks to invest in companies with identified areas of unrealized potential, and to help make operational changes that were not “priced” into the transaction, resulting in sustained outperformance, and ultimate sale at higher values reflecting the increased growth and/or margin, greater scale and broader market awareness of the company. 22C generally focuses on companies that fit a narrowly defined set of criteria based upon industry, business model and relevance of 22C’s value-add techniques. 22C structures transactions to reflect the specific company’s needs and stakeholder dynamics. Deal profiles typically include: founder & owner-operator partnerships, management institutionalizations, corporate carve-outs and consolidations and/or integrations.

22C sometimes has had the chance to increase its initial investment amounts over time and grow exposure into high performing companies. Upsizing opportunities may include: (i) roll-ups and industry consolidation strategies driving the need for additional equity, (ii) initial minority investments that position 22C for subsequent control transactions, and (iii) opportunistic acquisitions of secondary stakes (e.g. other co-investors or retiring founders).

In evaluating investment opportunities, 22C examines each prospective investment. 22C’s due diligence may include, among others, any combination of the following components:

- review of the company’s business fundamentals, potential for profitable growth, financial information and financial track-records and underlying performance;
- review of the physical operations of the company, as well as the company’s management teams and backgrounds, which include in-person meetings;
- assessing areas where 22C can create value including technology enablement, data analytics adoption, process automation, improved sales processes, and market expansion opportunities;
- assess company’s valuation compared to market comparables;
- review the regulatory landscape and its impact on risks and opportunities;
- evaluate forecasted return of investment, likely exit scenarios and impact on valuation (public offering vs. private sale vs. strategic sale); and

- other due diligence.

In each investment, 22C seeks to deploy operational playbooks designed to address common structural dynamics and value creation opportunities relevant to certain functional areas of the portfolio company. These strategies attempt to address critical needs of the business, which include, but are not limited to:

- Identifying and attracting new employees in challenging functional areas (e.g. data scientists, high value sales professionals, technologists, etc.);
- Adopting and scaling of new technologies;
- Technology-enabling legacy low / no tech businesses;
- Collecting and monetizing of data assets;
- Implementing and rolling-out of analytics;
- Outsourcing non-core functions;
- Developing and accelerating effective sales efforts for complex products;
- Identifying and securing key strategic partner / customer relationships;
- Implementing data and IP licensing best practices; and
- Sourcing and executing incremental capabilities or corporate consolidation.

As part of the due diligence process and post investment work plan, 22C assesses how it might help optimize the operational performance of the business by identifying resources to develop and implement a detailed execution strategy. 22C seeks to serve as an integral partner, by providing support to the management teams' growth and execution plan, while also maintaining frequent contact with management and closely monitors the performance of the company.

22C may also invest in other investment products as set forth in each Client's Governing Documents. It is important that each Investor who is considering an investment in a Client review the Governing Documents applicable to that Client for a further detailed description of the investment objective, restrictions and guidelines applicable to such investment.

Despite our methodologies and strategies, there is always the possibility that 22C may not correctly predict or evaluate the future performance of certain portfolio investments. Investing in any portfolio investment involves a risk of loss that any of the Clients or any of the Investors in the Clients must be prepared to bear.

Below describes some of the risks associated with the Clients' investments, but the following explanation of certain risks is not exhaustive. For a further discussion of the risks applicable to an investment in the Clients, Investors and prospective Investors in those Clients must also review each applicable Client's Governing Documents, including, for example, the private placement memorandum, which may contain additional explanations of strategies and risks that we do not discuss in this section.

Risk of Loss. Any investment managed by 22C involves a high degree of risk, including the risk that the entire amount invested may be lost.

Reliance on Key Persons. The operations of any Client are dependent on 22C, and the operations of 22C depends in substantial part on the services of the Principals and other investment professionals. There can be no assurance that these Principals and investment professionals will continue to be associated with 22C throughout the life of the Clients. In addition, the Principals, investment professionals and others within 22C devote their time and attention to 22C and various investments and activities, which includes the activities of the Clients and the existing investments. While the Principals and certain investment professionals will devote such time as they believe is reasonably required to the Clients, the composition of the team dedicated to a Client may change from time to time without notice to the Investors. Accordingly, the make-up of the Principals and the pool of investment professionals with responsibility for the investment strategy of the Clients may evolve over time. The loss of key personnel could have a material adverse effect on a Client's ability to realize its investment objectives.

Market Disruptions; Government Intervention. The global financial markets have in recent years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. Clients may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets, many positions, particularly private equity assets, become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to a Client from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to a Client. Market disruptions may from time to time cause dramatic losses for the Clients, and such events can subject otherwise historically low-risk strategies to unprecedented volatility and risk.

Cybersecurity. 22C, its service providers, its counterparties and other market participants on whom 22C relies increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients or their Investors, despite the efforts of 22C, its service providers, its counterparties and other market participants on whom 22C relies to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Clients or their Investors. Third parties may also attempt to fraudulently induce employees, customers, third-party service

providers or other users of 22C's, its affiliates' or any of their service providers' systems to disclose sensitive information in order to gain access to 22C's data or that of its Investors. A successful penetration or circumvention of the security of 22C's systems or the systems of 22C's service providers, counterparties or other market participants on whom 22C relies could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Clients, 22C, their service providers, their counterparties and other market participants on whom 22C relies to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, liability to clients or third parties, regulatory intervention or financial loss. Furthermore, 22C cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect a Client.

Highly Competitive Market for Investment Opportunities. The success of the Clients depend, in large part, on the availability of a sufficient number of investment opportunities that fall within the Clients' investment objectives and the ability of 22C and its affiliates to identify, negotiate, close, manage and exit those investment opportunities. The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that 22C or its affiliates will be able to locate and complete investments which enable the Clients to invest all of their committed capital in opportunities that satisfy each Client's investment objectives or realize the value of these investments.

The Clients will compete for the right to make investments with an ever-increasing number of other parties, including other consortia, companies and other private investment funds, as well as individuals, financial institutions, corporates and other institutions, some of which may have greater resources than the Clients. As a result of such competition, the Clients may have difficulty in making certain investments or, alternatively, the Clients may elect to make investments on economic terms less favorable than anticipated. If a Client fails to make new investments or makes investments on less favorable terms, the Client's financial condition and results of operations could be materially and adversely affected. Investors will be required to pay the Management Fee based on aggregate commitments during the investment period irrespective of the amount of commitments actually used to make investments.

Hedging Transactions. A Client or a portfolio company may utilize financial instruments such as forward contracts, options, swaps, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in currency exchange rates, market interest rates and public security prices. While these transactions may reduce certain risks, the transactions themselves entail certain other risks. Hedging against a decline in the value of an investment does not eliminate fluctuations in the value of such investments or prevent losses if the value of such investment declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should

increase. In addition, there is no limit on the exposure that may be incurred to any single counterparty with over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to the Fund would be greater than if such limits were imposed.

Portfolio Investments in Growth Businesses. The Clients intend to invest in growth companies. These companies may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. A Client's returns will depend upon its General Partner's ability to find and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that the General Partner will find and invest in a sufficient number of these companies to meet Investor return expectations or that those they do invest in will successfully execute on their business plan post-investment.

Investments in Less Established Companies. While not its primary strategy, the Clients may invest a portion of their assets in the securities of less established companies or early stage companies. Investments in such companies may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by a Client, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Client's entire investment therein.

Distressed Investments. The Clients may invest in securities of portfolio companies that are in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that 22C will correctly evaluate the value of a portfolio company's assets or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a portfolio company in which a Client invests, the Client may lose its entire investment, may be required to accept cash or securities with a value less than the Client's original investment and/or may be required to accept payment over an extended period of time.

Equity Securities. The Clients intend to invest in common and preferred stock and other equity securities, including both public and private equity securities. 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. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting irregularities. The Clients may experience a substantial or complete loss on individual equity securities.

Preferred Equity Securities. Clients have invested and may in the future invest in preferred equity securities. Preferred equity securities have a preference over common equity securities in liquidation but are subordinated to the liabilities of the issuers in all respects. Because preferred equity securities are junior to debt securities and other obligations of the issuer, deterioration in the credit quality of a portfolio company will cause greater changes in the value of preferred equity securities than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred equity dividends are payable only if declared by the issuer's board of directors. The preferred equity securities being issued may also subject to redemption provisions.

Control Positions. The Clients may identify investment opportunities that allow a Client to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may generally be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Client to claims by such portfolio company, its security holders and its creditors. While the General Partner intends to manage the Client in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Board Participation. The Clients expect to be represented on the boards of directors of certain of its portfolio companies or have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Client's investment strategy and may enhance 22C and its affiliate's ability to manage the Client's investments, they may also have the effect of impairing the General Partner's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject 22C, its affiliates, and the Client to claims they would not otherwise be subject to as an Investor, including claims of breach of duty of loyalty, securities claims and other director related claims. In general, the Client will indemnify 22C, its affiliates and their representatives from such claims.

Minority Position and "Toehold" Investments. The Clients expect to make minority equity investments in portfolio companies where the Client may have limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of the

Client and the Client may not be in a position to limit or otherwise protect the value of its investment in such portfolio companies. The Client's control over the investment policies of such portfolio companies may also be limited. This could result in the Client's investments being frozen in minority positions that incur substantial losses. This could also prevent the Client from realizing the value of its investments and distributing proceeds in a timely manner. In addition, although the Client will generally seek board representation in connection with its minority investments, there is no assurance that such representation, if sought, will be obtained.

Investments in Different Parts of the Capital Structure. A Fund may have investments in different parts of the capital structure than other 22C-controlled vehicles. In such circumstances, the investments by such other vehicles may be senior in priority to such Fund's interest and therefore, such vehicles will be paid out in liquidation prior to such Fund. It may also have certain voting and other governance rights to which a Fund will not be entitled with respect to certain of its interests. If a portfolio company becomes distressed or defaults on its obligations, 22C will have conflicting loyalties between the duties it has to a Fund and to such other vehicles and, in this regard, 22C may take actions on behalf of such other vehicles that are adverse to the interests of such Fund. Alternatively, there may be certain actions and remedies in view of these interests and contractual obligations that 22C will determine not to undertake on behalf of a Fund and/or such other vehicles, sometimes relying instead upon the actions and remedies undertaken by other lenders and/or investors. A Fund or its investments may be negatively affected by these activities, and such Fund's investment may be effected at prices or terms that may be less favorable than would otherwise have been the case.

Non-U.S. Investments. The Clients may invest globally. Non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Client's non-U.S. investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, (c) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (d) certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital and the risks of political, economic or social instability, (e) obtaining non-U.S. governmental approvals and complying with non-U.S. laws, (f) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and (g) differing tax structures. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. Anti-dilution protection also may be very limited. In these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for the Client to seek to enforce its rights or otherwise seek legal redress or to seek to enforce non-U.S. legal judgments.

Operational Risk. The Clients are subject to operational risk, including the possibility that errors may be made by 22C or its affiliates, the Client's service providers (including fund administrators)

or any of their respective affiliates in certain transactions, calculations or valuations on behalf of, or otherwise relating to, a Client. Investors may not be notified of the occurrence of an error or the resolution of any error. Generally, 22C, the Client's service providers and any of their respective affiliates will not be held accountable for such errors, and a Fund may bear losses resulting from such errors.

Lack of Transferability of Interests in a Client; No Right of Withdrawal. The interests in the Clients have not been registered under the Securities Act of 1933 ("Securities Act"), the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the interests in a Client and one is not expected to develop. The Governing Documents provides that an Investor's interest are not generally transferable and voluntary withdrawal of an Investor's interest is not allowed.

Illiquid and Long-Term Investments. Although investments may generate current income, investments will be held for an indefinite period of time and the return of capital and the realization of gains, if any, from an investment generally will most likely occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that the sale of a substantial portion of the investments will not occur for a number of years after such investments are made. There will not be a public market for certain of the securities or debt instruments held by a Client and such securities or debt instruments may require a substantial length of time to liquidate. A Client generally will not be able to sell these securities or debt instruments 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, a Client may be prohibited or limited by contract from selling certain securities or debt instruments for a period of time and as a result, may not be permitted to sell an investment at the time it might otherwise desire to do so.

Portfolio Company Management Risks. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although 22C and its affiliates expect to monitor the management of each portfolio company, management of each portfolio company will have day-to-day responsibility with respect to the business of such portfolio company.

Projections. The Clients may rely upon projections developed by 22C or a portfolio company concerning a portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of 22C and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash flow.

Valuation Risk. Given the nature of a Client's proposed investments, a Client may rely upon 22C or its affiliate for valuation of certain of the Client's assets, including, without limitation, in connection with the distribution of illiquid securities upon the liquidation of the Client. 22C or its affiliate may engage qualified valuation professionals to assist in this determination; however, it is not always required to do so. Given the nature of the proposed portfolio companies, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Client's assets. As such, any such valuations may be speculative. In addition, such valuations will affect the calculation of 22C's or its affiliates' Performance Fee.

Portfolio Concentration. While the Governing Documents of each Client contain certain diversification limitations, there can be no assurance as to the degree of diversification of the Clients' investments. To the extent that a Client concentrates its investments in a particular geographic region, security, investment sector or stage of investment, such investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, investment sector or stage of investment.

Investments Longer than Term. The Clients may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the winding up of a Client, either following the expiration of the Client's term or otherwise or that may benefit from longer term ownership. Although 22C or its affiliates expects that investments will generally either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Client may consider various mechanisms to benefit from such long-life assets, in addition to seeking to sell, distribute in kind or otherwise dispose of such investments (including to one or more continuation vehicles, if applicable) within the Client's term.

Leveraged Portfolio Companies. Certain of the portfolio companies in which the Clients invest are expected to be leveraged. While an investment in a leveraged portfolio company offers the opportunity for increased capital appreciation, and although the General Partner will seek to use leverage in a manner it believes is appropriate under the then-circumstances, such an investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such portfolio company, and such portfolio company may be subject to restrictive financial and operating covenants. This leverage may result in more serious adverse consequences to such portfolio companies (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. This could impair such P portfolio company's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants. As a result, such portfolio company's flexibility to respond to changing business and economic conditions may be limited. If such a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, such portfolio company may default on its loan agreements or be forced into bankruptcy, resulting in a restructuring of such portfolio company's capital structure or liquidation, in which case the value of the Client's investment in such portfolio company could be significantly reduced or even eliminated.

Guarantees of Portfolio Companies and/or Affiliates. The Clients may guarantee the obligations of investments and/or affiliates of the Clients. As a result, if any such investment or affiliate defaults on its obligations, a Client will be required to satisfy such obligation. In order to do so, a Client may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. In addition, a Client, a subsidiary of a Client or 22C or its affiliates may guarantee obligations or provide letters of credit or other credit support to facilitate investments, which such letters of credit or other credit support will not have any explicit limitations, and there can be no assurance that such guarantees or letters of credit will not have adverse consequences for a Client. As a result, if any such investment or affiliate defaults on its obligations, the Client will be required to satisfy such obligation, in which case the Client may make a larger investment in such investment than initially expected. In order to do so, the Client may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. For example, in connection with certain investments, the Client may provide a completion or performance guarantee. In such cases, the Client may be required to indemnify 22C and its affiliates their employees and affiliates for any losses incurred in connection with such guarantee. Further, the party executing a completion or performance guarantee may be motivated to make decisions that may be advantageous to the guarantor, but detrimental to Clients and their Investors.

Financing Arrangements; Availability of Credit. The use of leverage may be a significant portion of 22C's strategies, and the Client may depend on the availability of credit under certain circumstances in order to finance its portfolio. There can be no assurance that the Client will be able to maintain adequate financing arrangements under all market circumstances, nor that the level of available financing will, in general, be able to support sufficient merger activity for the Client to have a realistic opportunity to achieve its objectives.

Derivatives in General. 22C may make use of various derivative instruments on behalf of Clients, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult, as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

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 evaluation of 22C or the integrity of 22C's management. 22C has no disciplinary events to report.

Item 10. Other Financial Industry Activities and Affiliations

Neither 22C nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither 22C nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

D. Randall Winn is the sole owner of FiveW Capital LLC (“FiveW”), an exempt reporting adviser, exempt under Rule 203(m)-1 of the Investment Advisers Act of 1940, as advising solely pooled investment vehicles and having regulatory assets under management of less than \$150 million. FiveW and its affiliates include investment vehicles managed by FiveW, as well as any of FiveW’s or its investment vehicles’ portfolio companies, from which Mr. Winn will receive fees and compensation. There may be times where expenses will be allocated between Clients and clients of FiveW, which in that case would be conducted in a manner set forth in this Brochure and further detailed in the Clients’ respective Governing Documents. In addition, there may be an instance where a certain investment opportunity is allocated between Clients and clients of FiveW, and if so, will be conducted in a manner set forth in this Brochure and further detailed in the Clients’ respective Governing Documents. For further information related to FiveW and its relationship with 22C, please refer to the respective Client’s Governing Documents.

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

22C has adopted a code of ethics (the “Code”) which requires that all of our officers and employees and other supervised persons (collectively, “Supervised Persons”) act with integrity, place the interests of Clients above their own, avoid actual and potential conflicts of interest and comply with applicable provisions of relevant securities laws. The Code also requires Supervised Persons to pre-clear certain personal securities transactions, report certain personal securities transactions on at least a quarterly basis and provide 22C with a summary of certain holdings annually.

We will provide a copy of the Code to any Client or prospective Client upon request. For additional information about the Code or to request a copy, please contact Eric Edell at 212-224-0633 or eje@22ccapital.com. In the ordinary course of conducting our advisory activities, the interests of a Client will from time to time conflict with our interests and those of other Clients. Certain of these conflicts of interest, as well as a description of how we address them, are described below.

We will deal with all conflicts of interest using our best judgment, but in our sole discretion. In doing so, we will consider various factors, including the interests of each Client with respect to the immediate issue and/or with respect to the longer term course of dealing among such Clients.

The material conflicts of interest include those discussed below, although the discussion below does not necessarily describe all of the conflicts that 22C potentially faces. Other conflicts are disclosed throughout this Brochure which should be read in its entirety:

A cross transaction involves the buying or selling of securities from one Client account to another or FiveW. Cross transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value. In addition, we could use our investment authority to transfer unappealing securities from one Client to another Client. We may engage in cross trading under limited circumstances, to the extent permitted by applicable law and subject to and in accordance with the terms of the applicable Governing Documents. However, we will only do so when we believe it is in the best interest of both Clients. In such circumstances, neither we nor our affiliates will receive transaction-based compensation from the trade. To clarify, a cross transaction may occur between a Client and FiveW or an affiliate, in which case, it would be treated in the same manner as described in this paragraph. There can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to a Client as a party to any such transaction.

We, our investment professionals, Principals and related persons, may invest in each Client. We do not believe that these investments cause a conflict of interest between us and a Client but rather function to better align the interests of the Investors with our own interests since our own capital is being invested alongside the Investors' capital. However, these arrangements also give rise to potential conflicts of interest. For example, our professionals have an incentive to influence the allocation of an attractive investment opportunity to the Client in which they stand to personally earn the greatest return.

By virtue of our capital investment in certain Clients, we may be considered to participate, indirectly, in transactions effected for such Clients. The foregoing relationships, fees and any other actual or potential conflicts of interest arising therefrom are disclosed in the Governing Documents. Any such investments are made in conformity with the Code, which has procedures regarding the use of confidential information and personal investing.

Certain inherent conflicts of interest arise from the fact that we carry on investment activities for multiple Clients. The portfolio strategies of one Client could conflict with the transactions, strategies and instruments in which another Client invests. We may buy for Clients securities of issuers in which another Client has made, or is making, a senior or subordinate investment, which may create conflicts of interest. For example, if one Client is invested in debt securities of an issuer and another Client is invested in equity securities of the same issuer, if the issuer experiences financial or operating challenges which impact the price of its securities, decisions relating to actions to be taken may raise conflicts of interest between these Clients.

We serve as the investment advisor to the Clients and receive management fees for providing investment advisory services to the Clients. Our affiliate serves as the general partner to one Client and, subject to certain limitations, may receive performance fees based on the unrealized or

realized net profits of that Client. These management fees and performance fees may exceed the compensation we receive for providing investment advisory services to other Client accounts.

Clients may compete with each other for access to our resources. Subject to specific restrictions in a Client's Governing Documents, there are minimal restrictions prohibiting us from forming, sponsoring, owning and/or managing additional investment vehicles or accounts that have overlapping investment objectives or investment criteria. We may devote more time, attention or resources to some of these potentially competing funds than to others or present an opportunity to certain funds that we do not or cannot present to all. This could have a material adverse effect on a fund's ability to acquire assets, generate cash flow and income, and make distributions.

Subject to specific obligations in each Client's respective Governing Documents, neither we nor any of our related persons is obligated to allocate any specific amount of time to any Client. We and our related persons intend to devote as much time as we deem necessary for the conduct of each Client's operation and portfolio management, and will allocate investment opportunities in accordance with our trade allocation policy described below.

22C may have a conflict of interest in allocating certain costs and expenses. The allocation of expenses will inherently require judgment and there can be no assurance that a Fund will not bear a disproportionate share of expenses. For example, although 22C is responsible for its own operating costs and expenses, determining the General Partner and 22C's allocable share of internal costs, or otherwise allocating such costs and expenses, will require the judgment of the General Partner and 22C and there can be no assurance that a Fund will not bear a disproportionate share of such internal costs.

In addition, the General Partner or 22C will be required to decide whether certain costs and expenses should be allocated between or among a Fund, on the one hand, and another vehicle or account managed by 22C or an affiliate, or FiveW, on the other. Examples of expenses allocated across multiple accounts (and expected to be allocated at least in part, if not in full, to a Fund) would be the systems and software associated with investor reporting, accounting, portfolio and investment tracking and monitoring. Certain expenses may be suitable for only a Fund or a particular other account and, in such case, may be borne only by such vehicle.

The General Partner is generally permitted but is not obligated to provide the opportunity to co-invest with a Fund in its investments directly or indirectly to certain (a) Investors, (b) third parties, (c) employees and affiliates of 22C and (d) other persons who can potentially add value to a Fund's activities by virtue of their association with a Fund and/or certain portfolio companies. In determining to offer any co-investment opportunity in a specific investment, the General Partner will generally first determine the appropriate allocation to a Fund taking account of relevant circumstances before allocating any portion of such investment to one or more co-investors. In determining such allocation, the General Partner will analyze the facts and circumstances available to it at such time and there can be no assurances that the General Partner will have knowledge of all circumstances that could predict such investment opportunity's performance. It is possible that

the General Partner determines that a Fund should receive a smaller allocation of such opportunity than it would have if other facts and circumstances were known at such time.

Decisions whether and to whom to offer co-investment opportunities are made at the sole discretion of the General Partner and may be offered to some and not other Investors (or no Investors at all), with allocations that may differ from their proportionate investments in a Fund, and may reflect the General Partner's assessment of such Investor's ability to both fund and execute such co-investment, as well as prior arrangements with such Investors. In light of the foregoing, no Investor should have any expectation of receiving co-investment opportunities. Co-investors may pay 22C or its affiliate management fees, administrative fees, one-time funding, acquisition or co-investment fees and/or carried interest in respect of co-investments. The General Partner has offered preferential co-investment rights to certain Investors who have a prior relationship with 22C (i.e., a "loyalty" investor) or investors with which 22C believes there is strategic value, which may include co-invest opportunities with differing co-investment fees and carried interest or no co-investment fees and no carried interest.

Co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as reverse break-up fees or broken deal expenses. Although 22C will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, co-investors may not agree to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments (and in certain circumstances, co-investors may not bear such fees, costs and expenses because they have not been identified as of the time such potential investment ceases to be pursued). In such event, such fees, costs and expenses will be considered operating expenses of and be borne by a Fund.

To the extent that any co-investor is offered an opportunity to invest in a portfolio company, because 22C is not necessarily required to offset fees for such co-investment, it may incentivize 22C to allocate a greater portion of the investment to the co-investor than it would otherwise make in the absence of such an arrangement.

Investment opportunities will arise that fall within the investment objectives or strategies of two or more Clients. We therefore expect to encounter situations in which we must determine how to allocate investment opportunities among various Clients. Subject to certain exceptions set forth in the Governing Documents, until the expiration of the investment periods of Fund I and Fund I-A, each prospective investment opportunity identified by 22C that is within the scope of Fund I and Fund I-A's investment objectives will be offered to Fund I and Fund I-A. Notwithstanding the immediately preceding sentence, with respect to any successor funds, 22C intends to allocate investment opportunities that meet the investment objectives of Fund I, Fund I-A and any successor funds on a basis which 22C believes is fair and equitable. As a result of such exceptions, opportunities sourced by 22C that would otherwise be suitable for Fund I and Fund I-A may not be available to Fund I and Fund I-A or Fund I and Fund I-A may receive a smaller allocation of such opportunities than would otherwise have been the case. 22C analyzes the investment

opportunities identified by it at such time with the facts and circumstances available to it and there can be no assurances that 22C will have knowledge of all circumstances that could predict such investment opportunity's performance.

In addition to entering into certain arrangements with certain Investors, a Client has and may in the future enter into agreements ("Side Letters") with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more favorable than those set forth in a Client's Governing Documents or other Investors' Side Letters. Any rights established, or any terms of the applicable Governing Documents altered or supplemented in a Side Letter or other similar agreement with an Investor will govern solely with respect to such Investor notwithstanding any other provision of the applicable Governing Documents. Such rights or terms in any such Side Letter or other similar agreement may include, without limitation: (i) 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); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such Investor; (v) rights or terms necessary in light of particular legal, tax, regulatory or public policy characteristics of an Investor (including withdrawal rights in respect of political contribution, gift and other similar policies or restrictions established by investors affiliated with a government entity or agency); (vi) rights or benefits that relate to the amount (including the relevant percentage) of the payment or distributions in respect of any management fees or carried interest; or (vii) preferential co-investment rights. As such, Investor will have differing rights and benefits.

We have no obligation to offer any such additional rights, terms or conditions to any other Investor, except to the extent required by the Governing Documents of the applicable Client or otherwise agreed to by us or the General Partner. Once invested in a Client, Investors generally cannot impose additional investment guidelines or restrictions on the Client.

Our Code has policies and procedures to address the following additional conflicts of interest. While we do not believe that there are any conflicts that pose material risks to Client interests, we note some additional potential conflicts that are inherent in our structure and activities. We also have included brief descriptions of the procedures we use to mitigate their effects.

We have established policies and procedures reasonably designed to prevent the misuse by us and our Supervised Persons of material information regarding issuers of securities that has not been publicly disseminated ("material non-public information"). In general, under the procedures, when we are in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither we nor any Supervised Person is permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that we have is no longer deemed to be material non-public information.

Our Code sets forth procedures regarding gifts and business entertainment to address the potential conflicts of interest surrounding these practices. A further explanation of our gift and business entertainment policy can be found in our Code.

Due to the potential for conflicts of interest, we have established procedures relating to political contributions which are designed to comply with applicable federal and state law. All Supervised Persons are required to seek preapproval before making any political contribution.

We, our Principals and our affiliates may engage in a broad spectrum of finance and investment activities that are independent from, and may from time to time conflict with, Clients. In the future, there might arise instances where our interests conflict with the interests of Clients and/or Client Investors. We, our Principals and our affiliates may engage in transactions with, provide services to, invest in, advise, sponsor and/or act as investment manager to portfolio companies, investment vehicles and other persons or entities that may have similar structures and investment objectives and policies to those of our Clients and that may compete with Clients for investment opportunities and that may co-invest with Clients in certain transactions.

Due to these other activities, we may not be able to take action that might benefit our Clients because of confidential information we, our Principals or our affiliates acquire or obligations we, our Principals or our affiliates incur in connection with these other activities or because our Principals, an affiliate or employee or other related person serves as an officer or director of, or consultant to, a company in which a Client has invested or otherwise might invest.

Although we, our Principals and our affiliates will invest our own capital in the Clients along with the other Investors, our interests and those of affiliates may under some circumstances differ from those of a Client and/or Investors. Such conflicting interests could potentially affect our decisions in purchasing, holding and disposing of the investments of a Client.

In certain circumstances, in order to create efficiencies and optimize performance, one or more investments or portfolio companies of a Fund may determine to share the operational, legal, financial, back-office or other resources of another portfolio investment or portfolio company of a Fund or an investment or portfolio company of 22C or another vehicle or account managed by 22C. In connection therewith, the costs and expenses related to such services will be allocated among the relevant entities on a basis that 22C determines in good faith is fair and equitable (but which will be inherently subjective). In addition, it is possible that a portfolio company may be in the business of providing services that are, or could be, utilized by another portfolio investment or portfolio company. In this situation, 22C may determine that one or more investments use the other portfolio company's services, even where these services were previously provided to a portfolio company from a third party. These types of arrangements will not require the consent of Investors or the advisory committee of a Fund. Determining an allocable share of costs inherently requires the judgment of 22C and there can be no assurance that a Fund will not bear a disproportionate amount of any costs.

Except as may otherwise be provided under the terms of a Client's Governing Documents, we will generally select Clients' service providers and will determine the compensation of such providers without review by or the consent of an advisory board or other independent party. Clients bear the fees, costs and expenses related to such services. This creates an incentive for us to select service providers based on the potential benefit to us, rather than to Clients.

A Fund's service providers (including attorneys, accountants, investment bankers and lenders) may be service providers to 22C and its affiliates. In addition, one or more of a Fund's or 22Cs service providers and their shareholders may be investors in a Fund and/or sources of investment opportunities for a Fund. These factors may influence the General Partner in whether or not to select any particular service provider for a Fund or any portfolio company. There also may be instances where portfolio companies of a Fund or other investment vehicles managed by 22C or its affiliates provide services to one another or 22C or its affiliates.

Certain service providers provide goods or services to or have business, personal, financial or other relationships with 22C. Certain 22C employees or Principals may have ownership or other economic interests in and/or serve on the board of directors of certain service providers to a Fund and/or portfolio companies. These relationships may influence the General Partner in deciding whether to select or recommend such a service provider to perform services for a Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such Fund or such portfolio company, as applicable). Mr. Winn has a minority ownership interest in and serves on the board of directors of Rho AI and Viteos Fund Services LLC and therefore stands to benefit economically if Rho AI and/or Viteos Fund Services LLC is retained by a Fund or its portfolio companies. 22C expects to recommend and expects portfolio companies to hire Rho AI and expects the Funds to retain Viteos Fund Services LLC. Any fees or costs of any such engagement of Rho AI or Viteos Fund Services LLC will be borne by the portfolio company and/or such Fund and will not offset the Management Fee, other than as set forth in the applicable Governing Documents.

We address these conflicts of interest by using reasonable diligence to ascertain whether each service provider (including law firms) provides its service on a "best execution" basis, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other vehicles or accounts that, although 22C determines to be consistent with the requirements of such Funds' Governing Documents, may not have otherwise been entered into but for the affiliation with 22C or the team, and which may involve fees and/or servicing payments to entities that are not subject to the Management Fee offset provisions described in the applicable Governing Documents. For example, 22C may, like other private equity firms, in the future cause portfolio companies to enter into agreements regarding group procurement, benefits management, and other similar operational initiatives that may result in commissions or similar payments related to a portion of the savings achieved by the portfolio company. In addition, portfolio companies of 22C or FiveW may do business with, support, or

have other relationships with competitors of a Fund's portfolio companies, and in that regard prospective Investors should not assume that a company related to or otherwise affiliated with 22C will only take actions that are beneficial to or not opposed to the interests of a Fund and its portfolio companies.

The fair value of the investments will be calculated by the General Partner in good faith in accordance with guidelines prepared in accordance with U.S. generally accepted accounting principles and reviewed by a Fund's independent accountants. Valuations are subject to determinations, judgments, projections and opinions and other third parties or investors may disagree with such valuations. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. Additionally, under certain limited circumstances set forth in the applicable Governing Documents, distributions in kind of investments for which market quotations are not readily available may be made. The valuation of such investments will be determined by the General Partner in accordance with the applicable Governing Documents.

The valuation of investments may affect the General Partner's entitlement to carried interest from a Fund, 22C's entitlement to Management Fees from a Fund and/or the ability of 22C to raise a successor fund to a Fund or other vehicles or accounts. As a result, although such valuations will be determined in accordance with 22C valuation policies (and the valuation methodology described in the Governing Documents), there may be circumstances where the General Partner is incentivized to determine valuations that may be higher than the actual fair value of a Fund's investments.

Item 12. Brokerage Practices

Owing to the nature of our Clients' investments, 22C does not generally use the services of FINRA-regulated broker-dealers to effect transactions.

22C focuses on securities transactions of private funds and companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer are generally not used but may be retained. 22C may also distribute securities to Investors in the Clients or sell such securities, including through using a broker-dealer, if a public trading market exists. Although 22C does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If 22C sells publicly traded securities for a Client, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by 22C. In selecting a broker to execute Client transactions, 22C may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) gross compensation paid to the broker.

22C does not pay or receive research or other soft dollar benefits in connection with securities transactions for the Clients, and 22C does not engage in directed brokerage arrangements.

Item 13. Review of Accounts

22C's Principals periodically and regularly review the accounts of the Clients to confirm that each Client is maintained in accordance with its stated investment objectives. 22C performs additional reviews in the event that an investment needs subsequent financing, in the event of a potential acquisition or liquidity event, or if there were a serious performance issue at an investment.

Each Client may provide to its Investors (i) audited financial statements annually; (ii) unaudited financial statements on a quarterly basis; (iii) annual tax information necessary for each Investor's U.S. tax returns; and (iv) descriptive investment information for each portfolio investment quarterly. All reports are sent to Investors either electronically or by mail, as per each Investor's subscription documents. Upon request, certain Investors may receive additional information and reporting that other Investors may not receive.

Item 14. Client Referrals and Other Compensation

22C does not receive any monetary compensation or any other economic benefit from a non-client for 22C's provision of investment advisory services to a Client.

22C receives compensation in the form of fees paid by the Clients, as disclosed in the Governing Documents. 22C or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Clients' investments, as described in the Clients' Governing Documents.

22C has not to date but may, from time to time, in the future agree to compensate certain placement agents and solicitors for helping 22C raise capital. Such placement agents and solicitors may provide other services to Clients, for which they may be compensated.

Item 15. Custody

Rule 206(4)-2 promulgated under the Investment Advisers Act (the "Custody Rule") (and certain related rules and regulations under the Investment Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

22C is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian," as defined under such rule.

Rule 206(4)-2 generally imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients' funds or securities. However, 22C need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners. To the extent that clients or certain investors receive quarterly, or more frequent, account statements directly from a broker-dealer, bank or other qualified custodian, recipients should carefully review such statements.

In order to comply with the Custody Rule, the Clients are audited annually and 22C delivers to Investors in each Client a copy of the annual audited financial statements within 120 days of the fiscal year end.

Item 16. Investment Discretion

22C is retained on a discretionary basis pursuant to the terms of each Client's Governing Documents. Before accepting their subscriptions for interests, 22C provides all Investors in the Clients with the relevant Governing Documents, including, but not limited to, the Client's limited partnership (or analogous) agreement. By completing the subscription documents to acquire an interest in one of the Clients, Investors may give 22C complete authority to manage their investments in accordance with the relevant Governing Documents. If engaged on a discretionary basis, 22C is not required to contact an Investor prior to transacting any business once such Investor executes these documents. Investment advice is provided directly to the Clients and not to Investors in the Clients individually.

Item 17. Voting Client Securities

Although voting Client securities is generally not a service provided by 22C to its Clients, to the extent 22C is deemed to have voting authority on behalf of a Client and actually exercises such authority, 22C complies with its proxy voting policies and procedures that are designed to ensure that in cases where 22C votes proxies with respect to a Client's securities, such proxies are voted in the best interests of the Client.

If a material conflict of interest between 22C and a Client exists, 22C will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action.

To the extent 22C is deemed to have voting authority on behalf of a Client and actually exercises such authority, additional information about 22C's proxy voting policies and procedures, or information about how 22C voted proxies, would be available by contacting Eric Edell at 212-224-0633 or eje@22ccapital.com.

Item 18. Financial Information

22C is not aware of any financial condition that is likely to impair its ability to meet its contractual commitments to its Clients.

22C has never been the subject of a bankruptcy petition.