

Lehman Brothers Private Fund Management, LP

277 Park Avenue, 46th Floor

New York, NY 10172

(646) 285-9449

I. Cover Page

This brochure provides information about the qualifications and business practices of Lehman Brothers Private Fund Management, LP. If you have any questions about the contents of this brochure, please contact us at 646-285-9449. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lehman Brothers Private Fund Management, LP, also is available on the SEC's website at www.adviserinfo.sec.gov.

Date: March 18, 2020

II. Material Changes

This Brochure does not contain any material changes from the Brochure dated March 26, 2019.

Our Brochure may be requested by contacting Lehman Brothers Private Equity Investor Relations at 646-285-9449 or PE_IR@Lehmanholdings.com.

Additional information about Lehman Brothers Private Fund Management, LP is also available via the SEC's web site www.adviserinfo.sec.gov.

III. Table of Contents

I.	Cover Page	i
II.	Material Changes	ii
III.	Table of Contents	iii
IV.	Advisory Business	1
V.	Fees and Compensation	2
VI.	Performance-Based Fees and Side-By-Side Management	4
VII.	Types of Clients	4
VIII.	Methods of Analysis, Investment Strategies and Risk of Loss.....	4
IX.	Disciplinary Information.....	5
X.	Other Financial Industry Activities and Affiliations.....	5
XI.	Code of Ethics, Participation in Client Transactions and Personal Trading	6
XII.	Brokerage Practices	7
XIII.	Review of Accounts	7
XIV.	Client Referrals and Other Compensation	7
XV.	Custody	7
XVI.	Investment Discretion	8
XVII.	Voting Client Securities	8
XVIII.	Financial Information.....	8

IV. Advisory Business

Lehman Brothers Private Fund Management, LP (“LBPFM” or the “Registrant”) serves as General Partner to private investment funds. LBPFM is an indirect, wholly owned subsidiary of Lehman Brothers Holdings Inc. (“LBHI”) and a related person to numerous LBHI subsidiaries. LBHI is an international financial services firm headquartered in New York. On September 15, 2008, LBHI announced that it filed a petition under Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. Certain subsidiaries, including LBPFM, and other U.S. asset management subsidiaries, were excluded from the Chapter 11 filing. The Board of Directors of LBHI authorized the filing of the Chapter 11 petition in order to protect its assets and maximize value. LBHI emerged from bankruptcy on March 6, 2012. LBPFM was not subject to the bankruptcy case of its parent.

On December 6, 2011, the Bankruptcy Court entered an order (the “Confirmation Order”) confirming the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). The Plan and the Confirmation Order were attached as Exhibit 2.1 and Exhibit 2.2, respectively, to LBHI’s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 14, 2011. (the “8-K”) The 8-K contains a summary of the Plan. On March 6, 2012 (the “Effective Date”), the Plan became effective and a notice of the Effective Date of the Plan (the “Notice of Effective Date”) was filed with the Bankruptcy Court.

The Registrant has entered into a sub-advisor relationship with NB Alternatives Advisers LLC (IARD Number 149822), an affiliate of Neuberger Berman (the “Sub-Advisor”). The Registrant has delegated to the Sub-Advisor discretion to make all investment decisions and certain other tasks for certain of the Partnerships (as defined below). Accordingly, the Registrant is no longer making the investment decisions for the Partnerships. The Registrant’s current investment advisory business consists of supervising the work of the Sub-Advisor. The Registrant is not soliciting or accepting new clients.

The Registrant has been providing investment advisory services since 10/9/2003 and is principally owned by Lehman Brothers Private Funds Investment Company LP, LLC; Lehman Brothers Holdings Inc., and Lehman Brothers Private Funds Investment Company GP, LLC.

The information in this Brochure is subject to the governing documents of LBPFM and the Partnerships.

A. Advisory Services

The Registrant provides investment advisory services as described above and acts as the General Partner to limited partnerships (each, a “Partnership” and collectively the “Partnerships”) which were organized by an affiliate, Lehman Brothers Private Fund Advisers, LP (“LBPFA”). At December 31, 2019 the only remaining partnership is Crossroads Capital Partners II, L.P. The Registrant acts as General Partner to the General Partner of the Partnership. These limited partnerships invest in private equity securities. LBPFA selects other advisers to serve as sub-advisers to the Partnerships.

B. Tailored Services

Generally, the Registrant does not tailor advisory services to the individual needs of its clients. The Registrant and the Sub-Adviser exercise final approval over the selection of investments and determine the amount of capital committed to each investment. Each limited partnership agreement has investment criteria that the Registrant must adhere to when investing in certain securities.

C. Wrap Fee Programs

The Registrant does not provide portfolio management services to wrap fee programs.

D. Client Assets

The Registrant manages client assets as described above. As of December 31, 2019, the following assets are under LBPFM’s supervision:

Discretionary Basis	\$ 20,744,035
Non-Discretionary Basis	-
Total Assets under Management	<u>\$ 20,744,035</u>

V. Fees and Compensation

A. Management Fees

Fees collected by the Registrant or affiliate are governed by limited partnership agreements and investment management agreements. Pursuant to these agreements, the Registrant provides investment supervisory services to its clients for which it typically receives a management fee payable in advance generally ranging from 0.0938% to 0.150% per quarter of the commitments to partnerships. This fee is generally non-negotiable, and is payable to the Registrant at the

beginning of each quarter. The termination provisions of the investment management agreements vary, but they usually provide for termination after the expiration of a notice period. The pro rata portion of any prepaid fees for the remainder of such quarter will be refunded to the client. With respect to the limited partnership agreements, if a limited partnership liquidates on a day other than the last day of a quarter, the Registrant shall refund to the limited partnership the pro rata portion of the management fee for the remainder of such quarter. For certain Partnerships, liquidation fees are payable on a semi-annual basis to the liquidator, the Registrant. However, the Registrant has undertaken to accept payment of management fees and any other fees payable pursuant to the management agreement no more than three months in advance and waive any rights under the management agreement to require prepayment of any fees more than three months in advance. Each semiannual payment was based on .625% of the fair value of the investments of the most recently audited financial statement date and will not exceed .25% of the Partnership's Committed Capital. In view of the bankruptcy of LBHI described above, audited financial statements of the Registrant are not available.

The Partnerships generally invest in private equity securities consisting of limited partnership interests in various private equity partnerships and direct/co-investments in privately held operating companies. As a result of such investments, limited partners in the Partnerships pay, in effect, two sets of fees, one directly at the Partnership level to the Registrant and one indirectly through the Partnership to the general partners of the investee private equity limited partnerships who are not affiliated with the Registrant. With respect to cash held by a Partnership, such funds are invested in money market funds that are not affiliated with the Registrant which charge fees in addition to those charged by the Registrant.

B. Additional Fees and Expenses

In addition to the management fees described above, the individual Partnerships are generally responsible for a number of expenses that are incurred by or on behalf of the Partnerships. General expenses and fees that could be expected to be incurred by a Registrant-managed Partnership, include without limitation:

- Commissions, brokerage fees or similar charges incurred due to the purchase and sale of securities
- Expenses relating to the Partnership's annual and special meetings with its Limited Partners
- All expenses relating to litigation and threatened litigation involving the Partnerships
- Normal and extraordinary investment banking, investment management, legal, custodial, auditing, tax and accounting services provided to the Partnerships

- Other non-recurring or extraordinary expenses properly chargeable to the business of the Partnerships
- Insurance expenses

For more information, please see the Partnership's governing documents.

C. Compensation for Sale of Securities or Other Investment Products

As a registered investment adviser, the Registrant is required to disclose whether any officer, partner, director, or employee receives compensation for the sale of specific securities or other investment products. However, information required by this Item is not applicable to the Registrant.

VI. Performance-Based Fees and Side-By-Side Management

The Registrant does not receive performance-based fees.

VII. Types of Clients

The Registrant's clients are the Partnerships. The Partnerships invest in private equity securities. The minimum investment by a limited partner of a Partnership ranges from \$250,000 to \$5,000,000 (excluding employee partnerships for which investment minimums are significantly lower), depending on the Partnership and in each case subject to waiver in the Registrant's or LBPFA's sole discretion.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis & Investment Strategies

The Registrant has selected a Sub-Advisor as described in Item IV and receives and reviews reports with respect to the assets managed by the Sub-Advisor.

B. Risk Factors

Private equity investing involves a high degree of business and financial risk that can result in substantial losses. Any investment in a Partnership is highly speculative, involves a high degree of risk, and could result in the loss of part or all of an investor's capital contribution. Therefore, investors should not invest in a Partnership unless they can bear such a loss. An investment in a Partnership is suitable only for sophisticated investors with substantial other assets and who are capable of making an informed, independent decision as to the risks involved in an investment in the Partnership.

Registrant-managed Partnerships participate in a limited number of portfolio investments in a limited number of markets and industries. Thus, the performance of each Partnership is closely linked to the performance of these target markets. Partnerships can be severely impacted by adverse developments in and of the target markets.

The Partnerships' exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments). The investments of the Partnerships are not traded in an active market, but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The investments of the Partnerships each hold a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location, geographic distribution of operations, and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Partnerships in publicly traded and privately held securities. The partnership investments of the Partnerships may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Partnerships investments. As with any individual investment, market prices may vary from composite index movements.

C. Recommending Specific Security-Types

The Registrant does not recommend specific types of securities to clients.

IX. Disciplinary Information

As a registered investment adviser, the Registrant is required to disclose all material facts regarding any legal or disciplinary events that would materially affect an evaluation of the Registrant or the integrity of its management. Under the rules, the following may be presumed to be material.

Information required by this Item is not applicable to the Registrant.

X. Other Financial Industry Activities and Affiliations

The Registrant is affiliated with the following financial industry entities: LBPFA, the Registrant's affiliate, is registered as an investment adviser. The Partnerships invest in private equity securities. No new limited partners are solicited to invest in the Partnerships. Lehman

Brothers Private Equity Advisers LLC is a registered investment adviser under common control with the Registrant. For additional information, please see Sections 7A and 7B of Schedule D of Form ADV Part 1.

The Registrant does not recommend or select other investment advisers to its clients where the Registrant receives direct compensation from these advisers.

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

A. Code of Ethics

The Registrant participates in a compliance program and has adopted policies and procedures which impose certain conditions and restrictions as to transactions for proprietary accounts or the accounts of employees. The Registrant instills in its employees an awareness of the fiduciary principles, which govern the advisory business and a sensitivity to conflicts of interest that may arise as a result of our business. The Registrant has adopted a Code of Ethics, which addresses: standards of business conduct, compliance with applicable federal securities laws and regulations, insider trading, and personal investments by employees. Clients may request a copy of the Code of Ethics by contacting the investor relations division at 646-285-9449. Key elements of the Registrant's Code of Ethics include the following:

- Placing interests of the Registrant's clients and investors first at all times
- Conducting all personal securities transactions in a manner consistent with the Code of Ethics and all other applicable Registrant's policies include a personal investment policy.
- Appropriately managing any actual or potential conflict of interest.
- Keeping material, nonpublic information concerning, for instance, the identity or security holdings and financial circumstances of portfolio companies and/or investors confidential.
- Maintaining independence in the investment decision process.
- Prompt reporting to the Chief Compliance Officer any violations of the Registrant's Code of Ethics.
- Employees are required to certify annually that they have complied with the Registrant's Code of Ethics.

B. Conflicts of Interest

The Registrant has a general policy against employees misusing information obtained in the course of rendering their services or taking investment positions that are detrimental to the advisory clients of the Registrant, requiring approvals prior to allowing any such purchases. As

part of an overall internal compliance program, policies and procedures have been adopted that impose certain conditions and restrictions as to transactions for proprietary accounts or the accounts of employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct wherever any potential conflict of interest may exist with respect to a client.

XII. Brokerage Practices

The Registrant has the authority to select brokers or dealers to be used and commission rates paid, where applicable. LBPFA has entered into a sub-advisor relationship with the Sub-Advisor. LBPFA selected the Sub-Advisor and has delegated to the Sub-Advisor discretion to make all investment decisions and certain other matters, including selecting broker and dealers. The Sub-Advisor selects brokers for its securities transactions based on a number of factors. Please see the Sub-Advisor's Form ADV for more information.

XIII. Review of Accounts

The Registrant's only investment advisory clients are the Partnerships. The Registrant will make available the books and records of the Partnerships as and to the extent provided in the partnership agreements. Generally, the Registrant will provide annual audited reports to the limited partners of the Partnerships, and for certain Partnerships, the Registrant also will send unaudited financial statements and other information on a quarterly or semi-annual basis. Each year, the Registrant will assist the Partnerships in the preparation of reports setting forth information necessary for the limited partners to complete their tax returns.

XIV. Client Referrals and Other Compensation

The Registrant or a related person do not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. The Registrant's Code of Ethics generally prohibits employees from accepting gifts, favors, and other inducements from counterparties or service providers, other than certain common business courtesies. In addition, the Registrant or a related person directly or indirectly does not compensate any person who is not a supervised person of the Registrant for client referrals.

XV. Custody

The funds and securities of the Partnerships are held by qualified custodians except that uncertificated private securities are held by MUFG Capital Analytics LLC. Each Partnership is audited at least annually by an independent public accountant registered with, and subject to regulation inspection by, the Public Company Accounting Oversight Board. Investors receive audited financial statements within 120 or

180 days of the end of the Partnership's fiscal year as required by applicable regulation or partnership agreement. All Limited Partners should carefully review these statements.

XVI. Investment Discretion

The Registrant has discretionary authority to manage securities accounts on behalf of clients. The Registrant selected the Sub-Advisor and has delegated to the Sub-Advisor discretion to make all investment decisions. See Item IV above.

XVII. Voting Client Securities

The Registrant, through the Sub-Advisor, provides investment advisory services to the Partnerships. The Registrant has delegated to the Sub-Advisor discretion to make all investment decisions and certain other tasks for certain of the Partnerships, including voting client securities. Please see the Sub-Advisor's Form ADV for more information.

XVIII. Financial Information

Information required by this Item is not applicable to the Registrant. See Item V.