

Part 2A of Form ADV: Trinity Hunt Management, L.P. - *Brochure*

Item 1 - Cover Page

March 12, 2020

Trinity Hunt Management, L.P.
2001 Ross Avenue, Suite 4250
Dallas, Texas 75201
Phone - (214) 777-6600

This brochure (the “Brochure”) provides information about the qualifications and business practices of Trinity Hunt Management, L.P. (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (214) 777-6600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Trinity Hunt Management, L.P. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Trinity Hunt Management, L.P. is also available on the SEC’s website at www.adviserinfo.sec.gov.

TRINITY HUNT MANAGEMENT, L.P.
2001 Ross Avenue, Suite 4250 • Dallas, TX • 75201
Phone: (214) 777-6600 • Fax: (214) 545-5248

Item 2 - Material Changes

This Brochure dated March 31, 2020 is our most recent ADV Part 2 Brochure prepared according to the SEC's requirements and rules. Material changes from our previous Brochure dated March 28, 2019 are as follows:

- The Adviser updated the assets under management figure in Item 4.

This summary of material changes is qualified in its entirety by reference to the full discussion in this Brochure. Clients are encouraged to read the Brochure in detail and contact their account representative with any questions. Our Brochure may be requested by contacting Mr. Ryan Horstman, the Adviser's Chief Compliance Officer at (214) 777-6600 or rhorstman@trinityhunt.com.

Additional information about the Adviser is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 – Advisory Business

- A. Trinity Hunt Management, L.P. (the “Adviser” or “Trinity Hunt”) is a private equity firm located in Dallas, Texas. The Adviser provides investment supervisory services on a discretionary basis to private investment limited partnerships making privately negotiated equity and equity-related investments in leveraged buyouts and recapitalizations and expansion capital financings of lower middle-market companies located primarily in the Southern half of the United States. (each, a “Fund”, and together, the “Funds”).

In connection with sponsoring a Fund, the Adviser is responsible for evaluating and monitoring Fund investments and providing day-to-day managerial and administrative services to the Fund. The general partner of a Fund (the “General Partner”) will make all investment decisions on behalf of the Fund.

Trinity Hunt and Trinity Hunt Partners III, L.P. (“Fund III”) were formed in 2004 as the independently managed successor to Hunt Capital Fund I (“Fund I”) and II (“Fund II”) (collectively, “Hunt Capital”), the exclusive vehicles through which the Lamar Hunt family had conducted its private equity investing activities with its own capital and on behalf of third party institutional investors. Trinity Hunt formed Trinity Hunt Partners IV, L.P. (“Fund IV”) in 2011 and formed Trinity Hunt Partners V, L.P. (“Fund V”) in 2018. The Funds are managed by the senior members of Trinity Hunt, consisting of Daniel S. Dross, Peter J. Stein, Scott H. Colvert, William K. Bixby III, Michael C. Steindorf, and Blake R. Apel (collectively, the “Principals”).

- B. Investment supervisory services include establishing each Funds’ investment objective and selecting portfolio investments according to each Funds’ specific investment strategy. The investment activity of the Adviser generally focuses on buyouts, buy-and-builds, recapitalizations and later-stage growth equity investments in established, lower middle-market companies in the Southern half of the United States, with a preference of investing in leading services businesses. The services provided by the Adviser to the Funds include, among others: (1) proactive deal origination and initial screen of potential portfolio investments, (2) a preliminary investment review, (3) in-depth due diligence, (4) thorough review and approval by the Adviser’s investment committee, and (5) comprehensive, ongoing oversight and development of the portfolio companies. The advice of the Adviser is limited to the advisory services discussed above.
- C. While each of its Funds will follow the general strategy stated above, the Adviser tailors its advisory services to the needs of each Fund, in accordance with the applicable investment objectives and the relevant prospectus, limited partnership agreement, offering memorandum or other applicable documentation of each Fund.
- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2019, the Adviser manages \$802,773,632 in discretionary portfolios.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to the Funds. The Adviser may enter into different fee arrangements on a Fund by Fund basis.

Capital Commitments

Each Fund will seek capital commitments (“Commitments”) from investors (*i.e.*, limited partners) in one or more closings up to an amount stated in the Funds’ private placement memorandum. Generally, capital calls may be required from time to time for a period of up to five years after the final closing of the Fund (the “Commitment Period”). Thereafter, the limited partners will be released from any further obligation with respect to their undrawn Commitments, except to the extent necessary to (i) cover the expenses of the Fund, including Management Fees and indemnification obligations, (ii) complete investments by the Fund in respect of transactions that were in process as of the end of the Commitment Period, (iii) make follow-on investments in portfolio companies in an aggregate amount of up to a stated percentage of the total Commitments and (iv) fund portfolio company guarantees or pays loans that exist as of the end of the Commitment Period. In no event will a limited partner be required to make a capital contribution in an amount in excess of its unfunded Commitment.

Commitments will be drawn down *pro rata* based on original Commitments on an as-needed basis to fund investments and pay Fund expenses. Such contributions will represent each partner’s “Capital Contributions.”

Management Fees

Each Fund will pay the Adviser an annual management fee (the “Management Fee”) of up to 2% of total Commitments for services provided by the Adviser to the Fund, payable quarterly in advance from the date of the initial closing of a Fund until the end of the Commitment Period. After such time the Management Fee will be applied to a reducing base amount to be determined as of the commencement of each payment period. The base amount for each payment period will be equal to the aggregate cost basis of the portfolio company investments held by the Fund as of the commencement of such payment period, to the extent that at such time such investments have not been written-off.

A stated percentage of all “transaction fees” (defined below) and all organizational expenses in excess of a predetermined amount stated in each private placement memorandum will reduce the Management Fee payable on an aggregate basis.

Item 5 – Fees and Compensation(continued)

In addition to its initial Capital Contribution, a limited partner admitted at a closing occurring after the initial closing will be charged interest on its proportionate share of the Management Fee at a percentage stated in the Funds' private placement memorandum. Any such amounts will be paid to the Adviser.

Transaction Fees

In connection with the investments of a Fund, various "transaction fees" may be paid to the Adviser by the target company or other third parties. Such fees may be retained in full by the Adviser, provided that an amount equal to a stated percentage of all such net fees paid to the Adviser will reduce the Management Fee payable, on an aggregate basis. "Transaction fees" include any fees received in connection with the consummation, disposition or termination of an investment attributable to the Fund and/or any fees received from a portfolio company, such as break-up fees, commitment fees, investment banking fees, termination fees, portfolio company management fees, directors' fees and similar fees.

Distributions

Net proceeds attributable to the disposition of an investment in a portfolio company, together with any dividends or interest income with respect to such investment ("Disposition Proceeds") will be distributed to a Funds' partners participating in such investment according to a schedule stated in the Funds' private placement memorandum. Generally, the schedule apportions Disposition Proceeds in the following amounts and order:

- (a) first, 100% to the partners in proportion to total Capital Contributions;
- (b) second, 100% to the partners for payment of a stated preferred return (typically 8%);
- (c) third, 100% to the General Partner until such time as the General Partner has received a stated percentage (typically 20%) of aggregate distributions (including the preferred return); and
- (d) thereafter, 80% to the partners in proportion to Capital Contributions with respect to such investment and 20% to the General Partner.

Distributions to the General Partner under sections (c) and (d) are referred to as the "carried interest."

Distributions to the Partners will be subject to certain adjustments and reserves as stated in more detail in the Funds' private placement memorandum.

Upon the final liquidation of a Fund and distribution of its remaining assets, the General Partner will be required to restore funds to the partnership for distribution to the limited partners (up to the amount of its cumulative net after-tax carried interest) to the extent, if any, that the amount previously distributed to the General Partner as its carried interest exceeds the aggregate amount due to the General Partner as its carried interest on a cumulative basis.

Item 5 – Fees and Compensation(continued)

- B. Management Fees may be paid out of current income and Disposition Proceeds of the Fund and from drawdowns of Commitments. Disposition Proceeds are made as indicated in Item 5.A. above.
- C. The General Partner and the Adviser will pay all of their respective ordinary administrative and overhead expenses, including salaries, benefits and rent.

Each Fund will reimburse the Advisor for out of pocket expenses attributable to the activities of the Fund which may include: (i) expenses incurred in connection with the identification, discovery, screening, evaluation, acquisition or disposition of investments, including private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, reasonable travel, entertainment and other out-of-pocket expenses, and legal, accounting, investment banking, consulting, information services and professional fees; (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iii) expenses incurred in connection with the Funds' financial statements, tax returns and K-1's accounting and investor reporting software; (iv) attorneys' and accountants' fees and disbursements; (v) taxes and other governmental charges levied against the Fund; (vi) insurance (including premiums), regulatory or litigation expenses (and damages), including regulatory expenses of the General Partner and the Adviser; (vii) expenses incurred in connection with the winding up or liquidation of the Fund; (viii) expenses relating to defaults by partners in the payment of any capital contributions; (ix) expenses for transactions not consummated; (x) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner and the Adviser; (xi) expenses incurred in connection with distributions to the partners and in connection with any meetings with partners called by the General Partner; and (xii) expenses related to the Funds' indemnification obligations.

Each Fund will reimburse the General Partner for up to a predetermined amount of the Funds' organizational expenses, including legal, accounting, filing, capital raising and other organizational expenses. Organizational expenses in excess of such predetermined amount will be borne by the General Partner. All fees and expenses due to placement agents will not be subject to the limitation set forth above, but such fees will reduce the Management Fee otherwise payable by the limited partners by an identical amount.

The Advisor does not maintain any trading accounts and does not use "soft" dollars. Please refer to Item 12, Brokerage Practices, for more information.

- D. As stated above, Management Fees are payable quarterly in advance. Distributions to partners are discussed in Item 5.A. above.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

The General Partner of a Fund will receive performance-based fees in connection with any Disposition Proceeds that are distributed to partners relating to dispositions of investments in portfolio companies. Distributions to the General Partner under sections (c) and (d) of Item 5.A. are referred to as the “carried interest.” Such payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the “Advisers Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee.

The Adviser may manage multiple Funds with similar investment strategies on a side-by-side basis. As a result of the foregoing, the Adviser, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which the Adviser, its principal(s), and/or affiliate(s) may have a greater financial interest. These conflicts of interest may create an incentive for the Adviser to favor a Fund in which the Adviser, its principal(s), and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure all funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

The Adviser provides investment supervisory services on a discretionary basis to pooled investment partnerships investing in private equity transactions.

Generally, the minimum Commitment by a limited partner to a Fund will be \$5 million, although the General Partner reserves the right to accept Commitments of lesser amounts.

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

A. Introduction

The Adviser targets recapitalizations, buyouts, buy-and-builds, corporate divestitures and selected growth capital investments, typically investing \$15 million to \$30 million per portfolio company, in companies with enterprise values up to \$150 million. Trinity Hunt focuses on proactively originated investment opportunities that can be purchased at lower purchase multiples with lower financial leverage. Focus industries include business services, healthcare services and noncyclical consumer.

Over the past 15 years, the Principals have developed and refined a historically successful private equity investing model based on proactive, thematically driven, sector-specific sourcing of proprietary deal flow in its target industries, which in turn has resulted in the completion of 22 platform investments. Trinity Hunt believes that its proprietary sourcing model distinguishes the firm from other private equity firms as Fund IV's entire portfolio and all of Fund V's investments made to date have been acquired on a non-auctioned basis. Further, Trinity Hunt represented the first source of institutional equity capital in all its portfolio companies and these investments have commonly been characterized by a high level of retained equity ownership by the sellers.

Additionally, Trinity Hunt believes that companies in the lower middle market with \$15 million to \$150 million of enterprise value have sufficient scale to generate meaningful earnings and attract high quality management yet are small enough to respond quickly and dramatically to strategic initiatives designed to create value. Trinity Hunt will continue its strategy of targeting undermanaged, undercapitalized businesses which can be purchased for a reasonable price and can benefit from active operational and strategic direction to substantially grow their earnings. The Principals have a history of achieving superior risk-adjusted returns by capitalizing on proactively generated investment opportunities as well as by scaling their portfolio companies through organic and external growth initiatives and infrastructure enhancements. In summary, Trinity Hunt's ability to generate above market returns stems from: (i) its strength in originating proprietary deal flow; (ii) its focus on the underserved Southern region of the U.S.; (iii) its conservative, value-oriented investment strategy; and (iv) its value-added role with portfolio companies. Further, the Principals believe the Adviser's long-term association with the Lamar Hunt family has a positive impact on the attractiveness of Trinity Hunt to owners of the closely held businesses in the region, given the family's reputation for integrity, fair dealing and business success.

Market Opportunity

Trinity Hunt's direct sourcing model to lower middle market companies tends to be most successful in Texas and the Southern U.S., where its relationships are deep, its reputation is strong, and where entrepreneurs tend to value regional partners and relationships. In fact, 14 of the Firm's 22 Fund III, IV and V portfolio companies are based in state of Texas. The Southwest region of the U.S. is a large, vibrant market that is experiencing continued economic, population and job formation growth. The Southwest has benefited from a multi-decade trend of migration from the Northeast, Midwest and West regions of the U.S. as well as a burgeoning labor pool due to immigration from Latin America. The U.S. Census Bureau reported that over 33% of the total population growth in the U.S. from 2000 to 2010 occurred in the Southwest. Texas represents the fastest growing state in the country, with a population growth of 40.7% from 2000 to 2018. Texas's economic success may be attributed to lower cost of living, absence of state income taxes, central location, and robust transportation and logistics infrastructure, providing a favorable operating environment for small and medium sized businesses. However, despite the growth and

economic opportunity in Texas and the Southwest, this region remains largely underserved in contrast to other economically significant regions of the country where there are large concentrations of private equity capital.

Furthermore, Trinity Hunt targets closely-held businesses in the lower middle market sector. Trinity Hunt believes that its proactive calling efforts to lower middle market, owner-operator businesses provide the Principals with above market access to family owned businesses in niche industries that can be acquired at more reasonable valuations than in competitive auction processes.

Proactive Deal Origination

A key element in Trinity Hunt's strategy is differentiated and proactive deal origination. The Adviser focuses its outbound solicitation efforts on a select group of industries where it has developed domain expertise, management relationships, a demonstrated record of past investment success, or has performed extensive industry due diligence. Based upon their primary research, the Principals develop targeted sub sectors to thoroughly examine for investment opportunities. The Adviser employs several retained buy-side sourcing agents to augment Trinity Hunt's outreach program to companies in industries of interest. These buy-side intermediaries assist Trinity Hunt in contacting hundreds of target companies each year. As a result, the Adviser meets on average with over 200 companies annually from which it typically completes three to four investments per year. Since Trinity Hunt's relationship building process with business owners can often span years, these remaining companies continually form a portion of the Adviser's backlog of future investment opportunities.

Investment Process

The Principals believe that the Adviser's proactive origination strategy also promotes a more thorough and extensive due diligence process. Because the Principals devote substantial time to the establishment of personal and professional relationships with business owners, the investment team enjoys greater access to their future management partners and is able to track performance of target companies over longer periods of time than usually afforded through an auction process. While Trinity Hunt also employs third party professionals to assist with accounting, tax, legal, industry and environmental due diligence once a letter of intent has been executed, the Principals believe that the ability to foster management relationships and monitor company performance over an extended period of time prior to an investment represents the critical foundation to the Adviser's due diligence process and investment discipline.

Post-Closing Value Creation

Subsequent to closing an investment, the Principals have historically taken an active role in the oversight and development of their portfolio companies. Because these businesses are often entrepreneurially managed, Trinity Hunt devotes substantial time in providing advice and direction to its management partners on how to transform these companies into professionally managed businesses which are capable of exploiting incremental growth opportunities. This transformation typically entails hiring supplemental management resources, introducing budgeting and reporting tools for goals setting and performance measurement, implementing enhanced IT systems for stronger reporting and operational control, and creating incentive programs, including performance bonuses and stock option plans for management. Additionally, Trinity Hunt provides ongoing capital support and strategic advice in evaluating both organic and acquisition driven growth strategies. As a result of these undertakings, these portfolio companies

are often transformed into larger, more professionally managed enterprises that become marketable to a large universe of strategic and financial buyers.

- B. Investing in securities (including private equity portfolio companies) involves risk of loss that clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken in managing client assets will be subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value. The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to the Funds or a particular security or investment. Rather, it is a general description of the nature and risks of the advisory services provided by the Adviser and the related investments. This summary is qualified in its entirety by reference to the Funds' offering documents. Investors should carefully read these offering documents before making an investment in any Fund.

Business Risks. The Funds' investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of the Principals' prior investments is not necessarily indicative of the Funds' future results. While the General Partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Funds may invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments. The Funds may participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, Limited Partners will be required to pay annual management fees during the Commitment Period based on the entire amount of their Commitments.

Illiquidity; Lack of Current Distributions. An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for several years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the annual

management fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Funds' capital.

Leveraged Investments. The Funds may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, the companies in which the Funds will invest generally will not be rated by a credit rating agency.

Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Funds interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Funds interests are not permitted. In addition, Funds interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Fund's investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the Partners.

Reliance on the General Partner and Portfolio Company Management. The Funds have no operating history and will be entirely dependent on the General Partner. Control over the operation of the Funds will be vested entirely with the General Partner, and the Funds' future profitability will depend largely upon the business and investment acumen of the Principals. The loss of service of one or more of the Principals could have an adverse effect on the Funds' ability to realize its investment objectives. Limited Partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Funds will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day to day basis. Although the Funds generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

Projections. Projected operating results of a company in which the Funds invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow On Investments. Following its initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance

that the Funds will make follow on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such investment or may result in a lost opportunity for the Funds to increase its participation in a successful operation.

Non-U.S. Investments. Although the Funds' portfolio company investments will be in the United States, it may invest in follow-on companies for its portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and foreign tax rules to cross-border investments, possible imposition of foreign taxes on the Funds and/or the Partners with respect to the Funds' income, and possible foreign tax return filing requirements for the Funds and/or the Partners.

Significant Default Penalties. The Partnership Agreement provides for significant penalties and other adverse consequences in the event a Limited Partner defaults on its Commitment or other payment obligations. In addition to losing its right to potential distributions from the Funds, a defaulting Limited Partner may be forced to transfer its interest in the Funds for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Dilution. Limited partners admitted to the Funds at subsequent closings will participate in then-existing investments of the Funds, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Funds' existing investments at the time of such contributions.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits, may create an incentive for the General Partner to cause the Funds to make riskier or more-speculative investments than would otherwise be the case.

Public Company Holdings. The Funds' investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the Principals and increased costs associated with each of the aforementioned risks.

Director Liability. The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Bankruptcy of a Portfolio Company. Various federal and state laws enacted for the protection of

creditors may operate to the detriment of the Funds if it is a creditor of a portfolio company that experiences financial difficulty. For example, if a portfolio company becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Funds' investment to other creditors or require the Funds to return amounts previously paid to it by the portfolio company. If the Funds have management rights or holds equity securities in any portfolio company that becomes insolvent or bankrupt, the risk of subordination of the Funds' claim increases. In addition, any preferential transfers to the Fund during the one-year period before the bankruptcy proceedings may be recovered from the Funds since the Funds may be deemed an insider of the portfolio company. The Funds' exercise of management rights may also lead creditors of the portfolio company or other parties to assert claims against the Funds.

Risk Associated with Portfolio Companies. The investments by the Funds in portfolio companies involves a high degree of business and financial risk that can result in substantial losses. Some of these risks include, without limitation, the following: A portfolio company may be in an early stage of development, may not have a proven operating history, may have products that are not yet developed or ready to be marketed or that have no established market, may be reliant on developing unproven technology, may be operating at a loss or have significant fluctuations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. A portfolio company may be highly leveraged and, consequently, subject to restrictive financial and operating covenants. The leverage may impair the ability of a portfolio company to finance its future operations and capital needs. As a result, a portfolio company may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities. A portfolio company may face intense competitive positioning, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a large number of qualified managerial and technical personnel. A portfolio company may also incur leverage that may have important adverse consequences. For example, a portfolio company may be subject to restrictive financial and operating covenants. As a result, a portfolio company may lack the flexibility to respond to changing business and economic conditions or to take advantage of business opportunities.

Delayed Schedule K-1s. The Funds may not be able to provide final Schedule K 1s to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will use reasonable efforts to provide Limited Partners with final Schedule K-1s on or before such date, but final Schedule K-1s may not be available until the Funds have received tax-reporting information from its portfolio companies necessary to prepare final Schedule K-1s. Limited Partners may be required to obtain extensions of the filing dates for their federal, state, and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Funds.

Proposed Tax Legislation Adversely Affecting the Manager's Employees and Other Service Providers. Congress has recently considered proposed legislation that would treat income from carried interests as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation could adversely affect employees or other individuals performing services for the Funds who hold direct or indirect interests in the General Partner and benefit from carried interest, which could make it more difficult for the Manager and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. Any such developments could thus adversely affect the Funds' investment returns allocable to the Limited Partners. It is unclear whether any such proposed legislation, if enacted, would apply to the Manager and its affiliates, the General Partner, and any other individuals involved with the Funds who benefit from carried interest.

Tax Risks. The tax consequences to a Limited Partner from an investment in the Funds are complex. Prospective investors are strongly urged to review the discussion in Section XII. – “Legal and Tax Matters” and to consult their professional advisors in this regard.

General Changes. Changes in the legal, tax and regulatory regimes of jurisdictions in which the Funds are domiciled or invests (directly or indirectly) may occur during the life of each Fund, which may have an adverse effect on it or its investments.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate, and financial confidence to weaken, increasing the risk of a “self reinforcing” economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which the Funds make investments.

Conflict of Interest. During the Commitment Period, the Principals will pursue all appropriate investment opportunities exclusively through the Funds, subject to certain limited exceptions. However, the Principals currently manage Fund III and Fund IV and investments similar to those in which Fund V may acquire. The General Partner may direct certain relevant follow-on investment opportunities to Fund III and Fund IV and their unrealized portfolio companies. The Principals and the General Partner’s investment staff will continue to manage and monitor Fund III and Fund IV and their investments, although the Principals expect that the time required to do so will be less than what will be spent on Fund V matters. The significant investment of the Principals in the Funds, as well as the Principals’ interest in the carried interest, operate to align, to some extent, the interests of the Principals with the interests of the Limited Partners. Each of the investment Funds and their portfolio companies that are managed by the Principals may compete with the other investment Funds or companies acquired by such Funds. Following the Commitment Period of each Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to the Funds’ investments.

Diverse Limited Partner Group. The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of dispositions of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one Limited Partner than for another Limited Partner in the Funds, especially with respect to the Limited Partners’ individual tax situations. In selecting and structuring investments appropriate for the Funds, the General Partner will not be obligated to consider the investment, tax or other objectives of any particular investor.

Lack of Separate Representation. Jones Day represents the Manager in connection with the organization of the General Partner and the Funds. It is not anticipated that separate counsel for the Manager, the General Partner or the Funds will be engaged in connection with the organization or operation of the Funds. Jones Day shall not be deemed to represent, or otherwise owe any obligations or duties to, the Limited Partners (individually or collectively).

C. See Item 8.B. above.

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 your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to the Funds.
- D. The Adviser does not recommend or select other investment advisers for the Funds.

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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading of certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- B. While the Adviser very rarely has access to non-public information relating to public companies, as part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade based on that information.
- C. The Adviser will provide a copy of the Code to any partner or prospective partner upon request.
- D. Affiliates of the Adviser serve as the General Partners to the Funds, which issue partnership interests to third party investors. Other than with respect to these structures, neither the Adviser nor any of its related persons recommend to the Funds, or buy or sell for Funds, investments in which the Adviser or any related persons have a material financial interest.
- E. Certain principals of the Adviser can invest in the same or related securities that the Adviser recommends to the Funds. In such situations, the Adviser has adopted policies and procedures to deter conflicts of interest among the Adviser, its related persons and the Funds.
- F. See Item 11.C. above.

Item 12 - Brokerage Practices

- A. The Adviser's investment strategy involves making negotiated investments in privately held companies. As a result, the Adviser does not select or recommend broker-dealers for Fund transactions.
- B. The Adviser does not maintain any trading accounts and does not use "soft" dollars. See Item 12.A. above.

Item 13 - Review of Accounts

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of portfolio investments. In connection therewith, the Adviser conducts regular reviews of all portfolio company investments held in each Fund portfolio. All firm investment and operational staff participate in the ongoing monitoring of Fund portfolios.
- B. See Item 13.A. above.
- C. Annually, each Fund will furnish all limited partners with (i) audited financial statements prepared in accordance with generally accepted accounting principles, accompanied by the report of its independent certified public accountants, and (ii) tax information necessary for the completion of tax returns. In addition, on a quarterly basis, each limited partner will be furnished with unaudited financial statements of the Fund.

Item 14 - Client Referrals and Other Compensation

- A. No persons other than the Funds provide an economic benefit to the Adviser for providing investment advice or other advisory services to the Funds.
- B. The Adviser compensates third-party placement agents to sell Fund interests. All such engagements are undertaken pursuant to a written agreement and in accordance with all applicable laws and regulations, including Rule 206(4)-3 of the Advisers Act. The compensation paid to any third-party placement agent is negotiated on a case-by-case basis.

Item 15 – Custody

An affiliate of the Adviser is the General Partner of each Fund and is therefore deemed to have custody of the Funds' assets. The Adviser provides account statements to the Funds directly.

Please refer to Item 13.C. for a description of reports that are provided to investors in the Funds.

Item 16 - Investment Discretion

Pursuant to an agreement of limited partnership, the General Partner is granted broad authority to determine the type and amount of securities to be bought and sold, as well as the timing of such purchases and sales for the Funds. In connection with this discretionary authority, the General Partner and the Adviser select portfolio company investments on behalf of the Funds.

Item 17 - Voting Client Securities

In connection with its investment supervisory services, the Adviser does not invest in public equity securities and therefore does not receive proxies on behalf of the Funds.

Item 18 - Financial Information

- A. The Adviser calls Management Fees in advance on a quarterly basis. Because the Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, there is no requirement to provide a balance sheet for the most recent fiscal year.
- B. Registered investment advisers are required in this Item to provide certain financial information or disclosures about the adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds and has not been the subject of a bankruptcy proceeding.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.