

Item 1 – Cover Page:

BROCHURE
Form ADV Part 2A

Excellere Capital Management, LLC

3033 East First Avenue, Suite 700
Denver, CO 80206
www.excellerepartners.com
(303) 765-2400

March 30, 2021

This brochure provides information about the qualifications and business practices of Excellere Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (303) 765-2400 and/or compliance@excellere.com. 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.

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Additional information about Excellere Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes:

This Brochure does not contain any material changes since its last annual filing on March 23, 2020.

Item 3 – Table of Contents:

	Page
Item 1 – Cover Page:.....	i
Item 2 – Material Changes:.....	ii
Item 3 – Table of Contents:	iii
Item 4 – Advisory Business:	1
Item 6 – Performance-Based Fees and Side-By-Side Management:	3
Item 7 – Types of Clients:.....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss:	4
Item 9 – Disciplinary Information:	11
Item 10 – Other Financial Industry Activities and Affiliations:	11
Item 11 – Code of Ethics, Participation in or Interest in Client Transactions and Personal Trading:	11
Item 12 – Brokerage Practices:	13
Item 13 – Review of Accounts:.....	14
Item 14 – Client Referrals and Other Compensation:.....	14
Item 15 – Custody:.....	15
Item 16 – Investment Discretion:.....	15
Item 17 – Voting Client Securities:.....	15
Item 18 – Financial Information:	16

Item 4 – Advisory Business:

A. Description of Advisory Firm

Excellere Capital Management, LLC (“Excellere”) is a Denver, Colorado-based private equity investment advisory firm that provides portfolio management and investment advisory services to private equity funds structured as Delaware limited partnerships. Excellere was founded in 2006 and focuses on recapitalizations and buyouts of North American companies operating in the lower middle-market. Its managing members are Ryan Glaws, Bradford Cornell, Matthew Hicks, and Patrick O’Keefe.

Excellere currently manages two (2) funds, and from time to time may form other investment vehicles (each an “Excellere Fund” and collectively the “Excellere Funds”). The Excellere Capital Fund II, L.P. (“Fund II”) and Excellere Capital Fund III, L.P. (“Fund III”). The general partners of the Excellere Funds are Delaware limited liability companies and are affiliates of Excellere. Each has the power and authority to delegate the management of the Excellere Funds to Excellere. See *Item 10: Other Financial Industry Activities and Affiliations* for a list of entities affiliated with Excellere that serve as general partners to Excellere Funds.

Excellere manages each Excellere Fund within the guidelines and restrictions set forth in the Funds’ governing documents and within respective regulatory guidelines and limitations. Investment advice is provided directly to the Excellere Funds, and it is not tailored for the individual needs of investors.

B. Types of Advisory Services Offered

Interests in Excellere Funds are privately offered only to “qualified purchasers” as defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), which are generally institutional investors (for example, public and private pension funds) and certain high-net-worth individuals (for example, individuals with at least \$5 million in investment assets). Excellere’s investment advice is limited to the investments made by the Excellere Funds. Excellere’s advisory services include the general and day-to-day operations of the Excellere Funds and the acquisition and disposal of, and dealings with, investments by or for the Excellere Funds.

Excellere’s advisory services are tailored to the investment strategies of the Excellere Funds. The investment strategy of the Excellere Funds is to invest in private equity and equity-related investments in lower middle-market companies primarily in North America, including, without limitation, the making of investments in debt obligations of portfolio companies in anticipation of the exchange or conversion of such obligations into equity securities of such portfolio companies.

C. Client Assets We Manage

As of December 31, 2020, Excellere managed \$1,114,225,938 of client assets (including uncalled capital commitments) on a discretionary basis. Excellere does not manage client assets on a non-discretionary basis.

Item 5 – Fees and Compensation:

A. How Excellere Fees are Paid

Excellere receives a management fee and the General Partners receive “carried interest” or a performance fee, in each case, from the respective Excellere Funds they manage and are non-negotiable.

Management fees, typically 2% of each investor’s aggregate commitment, are payable on a semi-annual basis. Following the earlier to occur of (i) the termination of the commitment period and (ii) the date on which the principals close and make and receive capital calls in a successor fund, the management fee shall be 2% of the aggregate net funded commitments.

Management fees are collected no earlier than the second business day after the beginning of each semi-annual period. Management fees are paid by capital contributions from investors to each Excellere Fund pursuant to capital call notices delivered by each Excellere Fund’s General Partner out of the total amount of capital an investor agrees to contribute to the applicable Excellere Fund (i.e., an investor’s “capital commitment”) or are paid out of cash that is otherwise distributable to the investors in the Excellere Funds, including cash held by the Excellere Fund after a portfolio investment of an Excellere Fund is disposed of and before the proceeds are distributed to investors. Management fees may also be paid out of cash reserves of the applicable Excellere Fund.

“Carried interest” or performance fees, typically 20-25%, are assessed periodically, typically after the receipt by the Excellere Funds of proceeds from a portfolio investment and are paid out of cash otherwise distributable to Excellere Fund investors.

In addition, Excellere or its affiliates may receive directors’ fees, transaction fees (commitment, closing, merger and acquisition, divestiture, financing), topping and break-up fees, advisory fees (consulting, monitoring), or other fees in connection with portfolio investments or prospective portfolio investments of an Excellere Fund. Excellere may also receive reimbursement for expenses incurred in overseeing and monitoring portfolio company investments, including but not limited to travel, meals, entertainments, and other out-of-pocket expenses.

Typically, the management fees payable by each investor in an Excellere Fund will be reduced by a percentage of its pro rata share of any transaction fees, topping and break-up fees, advisory fees, or other fees received by Excellere or its affiliates in connection with portfolio investments or prospective portfolio investments of an Excellere Fund.

B. Other Fees and Expenses

Each Excellere Fund will pay an agreed upon amount of legal, accounting, and filing expenses incurred in connection with organizing and establishing the fund and the applicable General Partner and the marketing and offering of limited partnership interests in the fund (excluding placement agent fees, if any, as described below). After exceeding a certain threshold amount of such expenses, the management fees payable by the investors in an Excellere Fund will be reduced by their share of the excess amount of these offering and organizational expenses. Each Excellere Fund will pay any placement agent fees incurred in connection with the marketing and offering of limited partnership interests in the fund; however, the management fees payable by the investors in an Excellere Fund will be reduced dollar-for-dollar by their share of the amount of placement agent fees paid by the fund, such that the investors in the fund will not bear the economic burden of any placement agent fees.

In addition, each Excellere Fund will pay all costs and expenses relating to its activities (to the extent not reimbursed by a portfolio company), including legal, auditing, consulting, administration, custodian, and accounting fees and expenses (including expenses associated with the preparation of the Excellere Fund’s financial statements, tax returns, and other tax documentation), expenses of the Excellere Fund’s board of

advisors, annual meetings of the Excellere Fund's limited partners, insurance and other expenses associated with the acquisition, holding and disposition of its investments, extraordinary expenses (such as indemnification and litigation costs and expenses) and all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the fund. Each Excellere Fund will also pay all expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks, and other financing sources in connection with arranging financing for transactions which are not consummated, and any deposits or down-payments which are forfeited in connection with unconsummated transactions.

Excellere has created a network of experts that can assist management teams of portfolio companies on a variety of matters, including supply chain, process improvement, sales and marketing, integration, information technology, strategy, operations, and human resources ("Project Experts"). Project Experts are independent contractors, not Excellere employees. If a portfolio company engages a Project Expert, such portfolio company will bear the fees, costs, and expenses in connection with the services provided by the Project Expert, and therefore the Funds indirectly bear the expense of any such services provided by the Project Experts. Excellere does not receive any portion of the fees paid to such Project Experts. Any amounts paid to a Project Expert by a portfolio company will not offset or reduce any amount of the management fee payable by the Funds to Excellere.

C. Refunds for Fees Charged in Advance

Investors in Excellere Funds agree to commit a certain amount of capital to a fund in advance of any investment advisory functions performed by Excellere. Management fees assessed by the Excellere Funds are paid from these amounts and are payable in advance for each period as described above in Item 5.B. Excellere's services may be terminated under very limited circumstances. Should Excellere's services be terminated before services are provided for the applicable period, fees that have been paid in advance will generally be pro-rated from the date of Excellere's termination to the end of the period to which the advance fee covered and will be returned to the investors that paid those fees in advance.

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

An Excellere Fund may be assessed a "carried interest" or performance fee that is paid to the applicable General Partner. The "carried interest" is assessed periodically, typically after the receipt of proceeds by the fund from a portfolio investment, and is paid out of cash otherwise distributable to investors. "Carried interest" is typically measured as a percentage of the profits of an Excellere Fund and is negotiated separately for each fund at a rate consistent with industry standards and in compliance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The amount of "carried interest" is distributed to the General Partners with respect to each receipt of net proceeds attributable to a portfolio investment of an Excellere Fund only after the investors in the applicable fund receive the aggregate of (i) the capital contributions of such investor made in respect to such portfolio investment, (ii) the investor's proportionate share of capital contributions used to pay organizational and other expenses described in Item 5.B that have been allocated to such portfolio investment, and (iii) a preferred return on such capital contributions.

Generally, upon the termination of an Excellere Fund, the applicable General Partner will be required to restore funds to the fund to the extent that (i) the investors have not received their return of realized capital and costs and preferred return described above, or (ii) the applicable General Partner has received cumulative distributions in respect of its "carried interest" in excess of a certain percentage of the profits of a fund, in each case, applied on an aggregate basis covering all transactions of the applicable fund. In no event will the applicable General Partner be required to restore more than the cumulative distributions in respect of its "carried interest" received by such General Partner, less income taxes thereon and taxes attributable to property distributed in kind.

Excellere may, from time to time, enter into a side letter agreement with one or more investors in an Excellere Fund which may provide for rights that are more favorable than the rights granted to all other Excellere Fund investors.

Excellere does not manage accounts other than the Excellere Funds.

Item 7 – Types of Clients:

Excellere provides investment advice only to the Excellere Funds, which are its only clients. Interests in the Excellere Funds are offered privately to a limited number of sophisticated investors, including institutional investors (for example, public and private pension funds) and individuals who qualify to invest in the Excellere Funds because they have a sufficiently high income or net worth (for example, individuals with at least \$5 million in investment assets). Excellere typically imposes a minimum investment in connection with investing in an Excellere Fund, often in the range of \$5 million to \$10 million, although such minimums may be waived at the discretion of Excellere. In addition, each General Partner will make a capital commitment to the applicable Excellere Fund and its capital commitment will be funded through such General Partner by members and employees of Excellere and the applicable General Partner.

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

A. Methods of Analysis and Investment Strategies

The Excellere Funds primarily invest in recapitalizations and buyouts of North American companies operating in the lower middle-market through private equity and equity-related investments, including, without limitation, the making of investments in debt obligations of portfolio companies in anticipation of the exchange or conversion of such obligations into equity securities of such portfolio companies. Excellere's investment strategy focuses on industry sectors that it believes (i) are positioned to benefit from consolidation and favorable macro-economic and demographic trends, and (ii) possess compelling characteristics for the execution of a customer-driven, buy-and-build strategy. Excellere's investment strategy for each industry is generally executed through independent research, which may include direct contact with companies and consultants. Excellere's methods of analysis include economic and industry analysis, fundamental research concerning specific companies and securities, technical analysis, and other methods that one or more of Excellere's investment personnel may deem appropriate from time to time.

Investments in the Excellere Funds involve significant risks, including risks of losing the entire investment, and investors in the Excellere Funds should be prepared to bear these risks. Please see Items 8.B and 8.C for additional risks associated with investments in the Excellere Funds. In addition, prospective investors in Excellere Funds are provided with more detailed information in the Excellere Funds' offering documents about risks before they invest in any Excellere Fund.

B. Material Risks

Investments in the Excellere Funds involve certain significant risks. We cannot assure you that any Excellere Fund will meet its respective investment objectives or otherwise be able to successfully carry out its respective investment program or that an investor in an Excellere Fund will receive a return of its capital contributed to the Excellere Fund. The performance of prior investments made by the Excellere Funds is not indicative of any Excellere Fund's future results.

Investments in the Excellere Funds require a long-term commitment, with no certainty of return. Portfolio investments made by the Excellere Funds may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur only upon the partial or complete realization or disposition of the portfolio investment. While a portfolio investment of an Excellere Fund may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most portfolio investments will not occur for a number of years after making the investment. In addition, a variety of factors, including economic conditions, contractual provisions, asset conditions, political and regulatory considerations, and public opinion, could affect the ability of Funds to buy or sell investments on favorable terms or timing if at all. In addition, interests in the Excellere Funds have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any other applicable securities laws and are not transferable except with the consent of the applicable General Partner, which may be withheld by the applicable General Partner in its sole discretion. Investors in the Excellere Funds may not withdraw capital from any Excellere Fund. Consequently, investors in the Excellere Funds may not be able to liquidate their investments prior to the end of the term of the Excellere Fund.

If any investor in an Excellere Fund fails to fund its subscription obligation or make required capital contributions when due, the applicable Excellere Fund’s ability to complete its investment program or otherwise continue operations may be impaired. A default by a substantial number of investors would limit opportunities for investment diversification and likely reduce returns to the applicable Excellere Fund. If an investor fails to pay any portion of its capital commitment when due, the applicable General Partner may elect to cause the defaulting investor to forfeit a portion of any future profits that otherwise would have been allocable to the defaulting investor. The applicable General Partner may require that the remainder of the defaulting investor’s capital commitment be canceled and may designate a person or entity to assume the entire unpaid balance of the defaulting investor’s capital commitment and succeed to all of the rights of the defaulting investor’s interest. In addition, the applicable General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount including attorneys’ fees, to be paid by the defaulting investor. Each General Partner has the authority to require an investor to withdraw from the applicable Excellere Fund if such General Partner determines that the continued participation in the applicable Excellere Fund by such investor could materially adversely affect such Excellere Fund (for example, by causing such Excellere Fund to be registered as an investment company under the Investment Company Act or other regulatory issue).

Investors in the Excellere Funds will not have the right to participate in the management of such Excellere Fund or in decisions made by its General Partner or Excellere on its behalf. As a result, investors in the Excellere Funds will have almost no control over their investments in an Excellere Fund.

Each Excellere Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Excellere Fund may be substantially affected by the unfavorable performance of a single investment. With respect to any given investment, total loss of the investment is possible. The investments made by the Excellere Funds are expected to include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Additionally, the securities acquired by an Excellere Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. Also, the Excellere Funds may provide bridge financing in connection with one or more of its equity investments and will bear the risk of any changes in capital markets that may adversely affect the ability of a portfolio company to refinance any bridge investments.

Each Excellere Fund may enter into swaps, forward contracts, and other arrangements to seek to preserve a return on a particular investment or to seek to protect against currency fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by the applicable Excellere Fund relating thereto. Although such transactions may reduce the applicable Excellere Fund’s exposure to currency fluctuations or decreases in the

value of investments, the costs associated with these arrangements may reduce the returns that the applicable Excellere Fund would have otherwise achieved if it had not entered into these transactions.

The Excellere Funds may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the applicable Excellere Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the initial investment.

The Excellere Funds may invest in portfolio companies that are headquartered and have their principal operations outside the United States. These investments may involve special risks not typically associated with investments in securities of U.S. issuers, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability, (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another, and (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes, and double taxation of income earned overseas.

The regulatory considerations affecting the ability of each Excellere Fund to achieve its investment objectives are complicated and subject to change. During the term of each Excellere Fund, legal, tax and regulatory changes could occur that may adversely affect the Excellere Funds. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation, or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private investment fund industry generally or on the Excellere Funds, the General Partners, or Excellere, including the ability of the Excellere Funds to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Each Excellere Fund may be required to disclose confidential information relating to its portfolio investments and its financial results to third parties that may request such information if and to the extent required by federal, state, or local law or regulation applicable to such Excellere Fund or any of its investors. Such disclosure obligations may adversely affect certain investors, particularly investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Each Excellere Fund will be competing with a significant number of private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, we cannot assure you that the Excellere Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve their targeted rate of return, or fully invest their committed capital.

The success of the Excellere Funds depends in substantial part upon the skill and expertise of the investment professionals of Excellere. We cannot assure you that all of these investment professionals will continue to be partners of or employed by Excellere throughout the term of an Excellere Fund.

Each Excellere Fund's assets, including any investments made by the applicable Excellere Fund and any capital held by the applicable Excellere Fund, are available to satisfy all liabilities and other obligations of the

applicable Excellere Fund. If an Excellere Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the applicable Excellere Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. In connection with the disposition of a portfolio investment, the Excellere Funds may be required to make representations about the business and financial affairs of the related portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the Excellere Funds, which might ultimately have to be funded by the investors in the applicable Excellere Fund to the extent that such contingent liabilities exceed the reserves and other assets of the applicable Excellere Fund and such investors have received prior distributions from the applicable Excellere Fund.

Although under normal circumstances, each Excellere Fund intends to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of the applicable Excellere Fund) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Each Excellere Fund will pay the management fees and the expenses described in Item 5. Such fees and expenses will reduce the actual returns to investors and will be paid regardless of whether the applicable Excellere Fund produces positive investment returns.

The existence of the General Partners' "carried interest" or performance fee may create an incentive for the General Partner and Excellere to make riskier or more speculative investments on behalf of the Excellere Funds than would be the case in the absence of these arrangements. In certain limited circumstances, the amount of carried interest could be calculated based on the fair market value of non-cash distributions, which could result in a valuation for purposes of determining the carried interest that exceeds any cash value ultimately achieved.

Excellere will value the portfolio investments of the Excellere Funds from time to time at their fair market values. Assets of the Excellere Funds that are publicly traded securities for which market prices are readily available will be valued based on their trading prices, however, for almost every portfolio company, there will likely be no public market for its securities. Thus, portfolio valuation inherently is highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In establishing the value of each Excellere Fund's investment portfolio, Excellere may also consult with accounting firms, investment banks, and other third parties when needed, to assist with the valuation of each Excellere Fund's investments. The value set by Excellere may not reflect the price at which such Excellere Fund could dispose of its interests in a particular portfolio company at any given time.

The investors in the Excellere Funds may have conflicting investment, tax, and other interests with respect to their investments in the applicable Excellere Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Excellere Funds, the structuring or the acquisition of investments, and the structure, timing, or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Excellere, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the applicable Excellere Fund, Excellere will consider the investment and tax objectives of the applicable Excellere Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually. In addition, it is anticipated that investors or their affiliates, who may be companies with significant business interests within the targeted industry sectors, insurance and other risk management companies, financial institutions, and governmental or other pension plans, may have a direct or indirect interest in one or more of the investments of the applicable Excellere Fund. For example, one or more investors or their affiliates may be senior or subordinated lenders to one or more of the portfolio companies of an Excellere Fund or an investor may also act as a co-investor or otherwise participate in the financing of a portfolio

company in which an Excellere Fund has made an investment or where such co-investor has a direct or indirect interest in such investment. This could result in an Excellere Fund becoming involved in disputes and litigation with one or more of its investors or affiliates.

Although the board of advisors of each Excellere Fund is intended to act as the representative of the investors in such Excellere Fund in respect of certain matters, such board of advisors may not have the same interests as all investors.

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

Excellere has and will continue from time to time appoint certain members or employees of Excellere or the General Partners to the board of directors or equivalent governing body of a portfolio company of an Excellere Fund. The designation of directors contemplated could expose the assets of the applicable Excellere Fund to claims by a portfolio company, its security holders and its creditors.

General economic conditions may affect each Excellere Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Excellere Funds or considered for prospective investment. United States and international market and economic conditions have been, and continue to be, disrupted and volatile. Concerns over major financial institution and hedge fund failures, governmental "bailout" measures globally, job losses, the potential changes to the corporate and individual tax structures, the availability and cost of credit, the U.S. mortgage market, the credit derivatives market, the potential instability of the European Union precipitated by the U.K.'s exit, a declining residential and commercial real estate market in some regions, inflation, unstable valuations, energy costs, other geopolitical issues, and large-scale and systemic national and international phenomena have contributed to increased uncertainty and diminished expectations for the economy and the markets going forward. These factors, combined with changes in business and consumer confidence, recent political changes in the U.S., and increased unemployment globally, have precipitated an economic slowdown in the U.S., certain European countries, and other locations across the globe.

In addition, the fixed income markets have experienced a significant period of extreme instability which has negatively impacted market liquidity conditions. These concerns included a broad range of mortgage- and asset-backed and other fixed income securities, including those rated investment grade, the U.S. and international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, and sectors. Securities that are less liquid are more difficult to value and may be hard to dispose of. Domestic and international equity markets have also experienced heightened volatility and turmoil, with issuers that have had exposure to the real estate, mortgage, and credit markets, including banks and broker-dealers, particularly affected.

These conditions have had broad regional, national and global economic ramifications, and the impacts of these conditions are continuing to unfold. Such conditions could materially and adversely impact the Excellere Funds in a variety of ways and may include impacts that cannot be anticipated at this time. Among other things, these conditions may materially and adversely affect (i) the ability of the Excellere Funds, their portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with the Excellere Funds or their affiliates, (iii) the Excellere Funds' exposure to the credit risk of others in their dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products

and services offered by the portfolio companies of the Excellere Funds, (v) growth opportunity for the investments of the Excellere Funds, (vi) the Excellere Funds' ability to exit their investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of the investors in the Excellere Funds to meet their obligations to the such Excellere Fund in a timely manner or at all.

The Excellere Funds may be subject to risk of loss arising from the direct or indirect exposure to various catastrophic events such as hurricanes, earthquakes, tornados or other natural disasters; war, terrorism or other armed conflicts; cyber-attacks, prolonged power outages, or other network interruptions; and public health crises such as endemics, pandemics, or infections disease outbreaks. To the extent that any such event occurs and has a material effect on global financial markets or the specific markets in which Excellere Funds are exposed, the risk of loss can be substantial. Furthermore, in December 2019, the SARS-Co V-2 virus surfaced, causing the disease known as COVID-19. Within a few months, the disease spread across the world, forcing factories, offices, schools, and retail stores to close their doors. Travel restrictions and stay-at-home orders or similar policies were enacted by local and national governments. As a result, there were massive disruptions to the global supply chain, consumer demand shifted dramatically, and both local and global economies suffered substantially. The short-term and long-term impact of COVID-19 on the operations of Excellere and its Funds is difficult to predict. Many of the impacts will be determined by the response and future actions of the various authorities and governing bodies. These potential impacts, while uncertain, could have a material, adverse impact on the Funds.

There is no assurance that national and global market and economic conditions will improve during the term of each Excellere Fund, and such conditions could deteriorate materially and for an extended period of time. National concerns about future economic growth, unemployment, consumer sentiment, market instability, inflationary pressures, currency volatility, fluctuating oil prices, the adverse developments in the credit markets, and mixed corporate earnings present significant challenges to the national and global economies and equity markets presently and in the future. Any of the foregoing could have a material adverse impact on the Excellere Funds.

Excellere, the Fund GPs, and Excellere Access Persons each transmit, process, and store large amounts of electronic information, including information relating to the transactions of the Funds as well as personally identifiable information of investors. Similarly, service providers for the Funds, such as the Fund's administrator, may transmit, process, and store such information. Excellere and each Fund GP have the procedures and systems in place that they believe to be reasonably designed to protect the risks associated with cybersecurity such as data loss and information security. However, any such measures cannot ever provide absolute security.

The U.S. securities laws applicable to the interests in the Excellere Funds, each Excellere Fund, the General Partners or Excellere (including, without limitation, the Securities Act, the Investment Company Act, Securities Exchange Act of 1934, as amended and the Advisers Act) are constantly under review by persons involved in the legislative process and by the SEC, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. These laws may be modified by legislative, judicial, or administrative action at any time. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act made several sweeping changes to the aforementioned U.S. securities laws. These revisions to the U.S. securities laws and interpretations thereof and potential future revisions and interpretations could adversely affect the interests in the Excellere Funds, each Excellere Fund, the General Partners, and Excellere and, in that regard, could require modifications to the Excellere Funds' intended investment program or increase compliance costs of operating the Excellere Funds.

The Excellere Funds are expected to be treated as partnerships for U.S. federal income tax purposes. Each investor, in determining its U.S. federal income tax liability, will take into account its allocable share of items of income, gain, loss, deduction, and credit of the Excellere Funds, without regard to whether it has received distributions from such Excellere Fund. Accordingly, such investors' tax liability could exceed the cash

distributions from such Excellere Fund in any year, and in such a case, an investor would have to satisfy its tax liability arising from an investment in such Excellere Fund from such investor's own funds. As is generally the case for similar private equity investments, an investment in the Excellere Funds will give rise to a variety of complex U.S. federal income tax and other tax issues for investors. Certain of those issues may relate to special rules applicable to certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities, and non-U.S. persons and entities. It is possible that the Excellere Funds will not be able to furnish the investors' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such an event, the investors will likely have to file requests for an extension of the time for the filing of their U.S. tax returns.

The present U.S. federal income tax treatment of an investment in the Excellere Funds may be modified by legislative, judicial, or administrative action at any time and any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the Treasury Department, resulting in revisions of the Treasury regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Fund. Congress is currently scrutinizing the U.S. federal income tax treatment of private investment funds and there can be no assurance that legislation will not be enacted that has an unfavorable effect on an investor's investment in the Excellere Funds.

The Excellere Funds are not required to and do not intend to, register as investment companies under the Investment Company Act in reliance upon the exclusion from registration provided in Section 3(c)(7) of the Investment Company Act, which limits the availability of interests in the Excellere Funds to persons who are qualified purchasers. In addition, a company may be deemed to be an investment company if it owns a substantial amount of investment securities. The Excellere Funds are not required to register as investment companies under the Investment Company Act because they are primarily engaged in the businesses of their controlled portfolio companies rather than the business of investing and reinvesting in investment securities. Accordingly, certain provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) will not be applicable.

Each Excellere Fund intends to conduct its investment and other activities so as not to be deemed an investment company under the Investment Company Act. As a result, the aggregate amount of investments in portfolio companies that the Excellere Funds do not control will be limited to the extent set forth in the Investment Company Act, however, it is not anticipated that such limitations will impede the ability of each Excellere Funds to pursue its investment strategy. The performance of each Excellere Fund's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the Excellere Funds, the General Partners, or Excellere become the subject to the Investment Company Act, due to the various burdens of compliance therewith and certain legal prohibitions imposed on unregistered investment companies. We cannot assure you that the Excellere Funds may not become subject to such regulation.

Please see Items 8.A and 8.C for additional risks associated with investments in the Excellere Funds. In addition, prospective investors in Excellere Funds are provided with more detailed information about risks before they invest in any Excellere Fund.

C. Particular Securities and Related Risks

Excellere Funds have and will continue to seek to invest in portfolio companies involved in several industry sectors including, but not limited to, healthcare, business services, industrial technology and services, and energy products and services. These companies may be subject to regulatory oversight. Changes in laws or regulations relating to these industries could have an adverse effect on the portfolio companies of the Excellere

Funds. Please see Items 8.A and 8.B for additional risks associated with investments in the Excellere Funds. In addition, prospective investors in Excellere Funds are provided with more detailed information about risks before they invest in any Excellere Fund.

Item 9 – Disciplinary Information:

Excellere is not aware of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its advisory business or the integrity of its management, after having conducted due diligence of the firm and its management persons.

Item 10 – Other Financial Industry Activities and Affiliations:

Excellere's Funds are formed as Delaware limited partnerships or limited liability companies which require a general partner and managing member, respectively (in each case, a "General Partner", and collectively "General Partners." Each of the General Partners of the Excellere Funds is a related person to Excellere. The General Partners are controlled by individuals who are the managing members of Excellere. Below is a listing of those entities which are affiliated with us and which serve as a General Partner for each of the Funds.

- Excellere Partners II LLC
 - Excellere Capital Fund II, L.P.
- Excellere Partners III LLC
 - Excellere Capital III, L.P.

The General Partners and each Excellere Fund have entered into management agreements with Excellere to document the delegation of management of each Excellere Fund to Excellere. Excellere employees, advisors, and managing members may devote portions of their time to existing portfolio companies and other related investment activities and are not limited to the activities of Excellere and the Funds' different portfolio companies.

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

A. Code of Ethics

Excellere holds its employees to a high standard of integrity and business practice. Excellere's Code of Ethics is intended to serve as a guide to administering and overseeing procedures relating to the professional conduct and personal trading practices of Excellere personnel.

The following are the standards of business conduct that Excellere requires of its employees, which reflect Excellere's and its employees' fiduciary obligations to its clients:

- Investment-related information or other non-public information learned by employees during the course of carrying out Excellere-related duties or in communications between Excellere employees is to be kept confidential until or unless publicly available. Such information may include but is not limited to, portfolio-related research activity and recommendations to purchase or sell specific assets.
- Employees may not take or omit to take an action on behalf of an Excellere Fund or intentionally induce an Excellere Fund to take action for the purpose of achieving a personal benefit.

- Employees may not use actual knowledge of any transactions of any Excellere Fund to profit by the market effect of that transaction.
- Employees will not take unique investment opportunities which should be made in an Excellere Fund's accounts or accounts in which they have a beneficial interest.
- Employees will conduct all personal securities transactions in a manner consistent with Excellere's Code of Ethics (including reporting and obtaining pre-approval for certain transactions when required by the Code of Ethics).
- Employees will report any violations of the Code of Ethics or Excellere's Compliance Manual to the Chief Compliance Officer.

In addition, all Excellere employees must comply with all applicable federal securities laws. Employees are not permitted to:

- defraud a client in any manner;
- mislead a client, including by making a statement that omits material facts;
- engage in any act, practice, or course of conduct which operates or would operate as a fraud or deceit upon a client;
- engage in any manipulative practice with respect to a client; or
- engage in any manipulative practice with respect to assets, including price manipulation.

Copies of Excellere's Code of Ethics are available to any investor in an Excellere Fund or prospective investor in an Excellere Fund upon request by contacting compliance@excellere.com.

B. Participation or Interest in Client Transactions

Excellere provides ongoing portfolio management and investment advisory services for the Excellere Funds. Investment decisions are made by Excellere's Investment Committee. The Investment Committee is responsible for monitoring and managing each Excellere Fund's investment portfolio in accordance with the particular Excellere Fund's investment objectives, limitations, and guidelines.

Excellere recognizes its obligation to identify, monitor, and where appropriate, seek to reduce or eliminate potential conflicts of interest that might interfere with the performance of its fiduciary duties to clients. Excellere has adopted the following policies in an effort to manage conflicts of interest.

- *Investment allocations.* Allocation of investment opportunities will be fair and equitable to all clients. Excellere will not unfairly favor any client account or group of client accounts over any other client account or group of client accounts.
- *Personal investments.* Excellere requires all access persons to report their personal investment activities in accordance with the policies and procedures set forth in Excellere's Code of Ethics. Please see Items 11.A and 11.C for more information.

Each General Partner will make a capital commitment to the applicable Excellere Fund and its capital commitment will be funded through such General Partner by members and employees of Excellere and the

applicable General Partner. In addition, Excellere, the General Partners and their respective members, employees and affiliates may participate in co-investments with an Excellere Fund.

C. Personal Trading

In addition to placing transactions for the Excellere Funds, Excellere or its employees or related persons may trade for their respective proprietary accounts or those of its affiliates. In such instances, Excellere may face a conflict of interest with the Excellere Funds. In accordance with its Code of Ethics as described in Items 11.A and 11.B, Excellere takes measures to ensure that such conflicts are monitored and addressed in a manner consistent with Excellere's fiduciary duty to its clients.

Excellere's Chief Compliance Officer or his designee will routinely review the holdings of the Excellere-related investments, which may include any holdings of officers, directors, and employees of Excellere, to ensure that such persons do not purchase any assets that may be owned by any Excellere Fund. Each employee of Excellere is required to submit to Excellere's Chief Compliance Officer a report of the employee's securities holdings, which must be updated from time to time in accordance with Excellere's Code of Ethics. Employees of Excellere are prohibited from buying or selling any security while employed at Excellere, without obtaining the prior approval of the Chief Compliance Officer, other than (i) publicly traded securities that are not included on Excellere's Restricted List, and (ii) securities which are bought or sold for the account of an employee of Excellere in which such employee does not have investment discretion over such transaction. Employees of Excellere are prohibited from buying or selling, directly or indirectly, any security on a restricted trading list which the Chief Compliance Officer may create and update from time to time. In addition, Excellere employees are prohibited from purchasing securities issued in an initial public offering or in a private placement of securities without obtaining pre-approval from the Chief Compliance Officer.

The Excellere Funds have specified procedures for managing and resolving conflicts of interests, which may include disclosure of the facts surrounding any such material conflict to the board of advisors of the applicable Excellere Fund and obtaining its consent to a transaction involving a conflict of interest. The board of advisors of each Excellere Fund consists of individuals who are affiliated with or officers, employees, representatives, or designees of investors of the applicable Excellere Fund (but are not affiliated with the applicable General Partner) and are appointed by Excellere. Although the board of advisors of each Excellere Fund is intended to act as the representative of the investors in such Excellere Fund in respect of certain matters, such board of advisors may not have the same interests as all investors.

See also Items 11.A and 11.B.

D. Personal Trading Contemporaneous with Client Transactions

See Items 11.A, 11.B, and 11.C.

Item 12 – Brokerage Practices:

Given the nature of the investment program of the Excellere Funds, Excellere does not usually transact business through broker-dealers or generally make investments in listed companies. However, in situations where Excellere may need to select a broker-dealer, Excellere will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery, and ability to obtain best execution for all client securities transactions.

It is Excellere's policy not to enter into soft dollar arrangements or to accept soft dollars.

Item 13 – Review of Accounts:

A. Periodic Review of Client Accounts

Excellere's Investment Committee and other investment professionals of Excellere will routinely review the holdings of the Excellere Funds to check on the status and progress of each investment made by an Excellere Fund.

B. Reports to Clients Regarding Their Accounts

Within 60 days after the end of each of the first three quarters of each fiscal year of each Excellere Fund, Excellere delivers to each investor in the Excellere Funds: (i) unaudited quarterly financial statements which include an unaudited schedule of investments and an unaudited supplemental schedule of the investor's capital account and (2) an Investor Report including an overview of the Excellere Fund's investment activity and narrative descriptive investment information for each of its portfolio investments.

Within 90 days after the end of each fiscal year, Excellere delivers to each investor in the Excellere Funds: (i) financial statements for such year (audited by a firm of independent certified public accountants of recognized national standing selected by the General Partner and that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules), including a schedule of investments listing Excellere Funds cost and the value of its investments, and a schedule of the investor's capital account, and (ii) an Investor Report including an overview of the Excellere Fund's investment activities for the fiscal year and narrative descriptive investment information for each of its portfolio investments.

In addition, the Excellere Funds holds an annual meeting that offers the investors in the Excellere Funds the opportunity to review and discuss the investment activities of the Excellere Funds. Excellere's principals also will make themselves available to investors in the Excellere Funds during the year as reasonably necessary.

Item 14 – Client Referrals and Other Compensation:

A. Client Referrals

Excellere may, from time to time, enter into arrangements in which persons who are not supervised persons (such as placement agents or financial advisors) assist in the capital-raising efforts of an Excellere Fund in exchange for a fee, which may be in the form of a flat fee or a fee based on the amount of capital raised by the placement agent. Excellere does not engage any placement agent that is not duly registered with FINRA (or, if applicable, corresponding non-U.S. authorities).

B. Other Compensation

Other than compensation and expense reimbursements from portfolio companies described under Item 5, Excellere does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the Excellere Funds.

Item 15 – Custody:

Excellere will entrust the custody of any of the funds and securities of an Excellere Fund that are not privately offered securities (“Assets”) with a qualified custodian in accordance with the Advisers Act.

Because Excellere may be deemed to have custody of the assets of the Excellere Funds as a result of its and the General Partners’ authority over the Excellere Funds, Excellere, in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940, provides investors in the Excellere Funds with audited financial statements (audited by a PCAOB registered accounting firm subject to inspection) within 120 days of the end of each fiscal year of the applicable Excellere Fund, and upon liquidation of the applicable Excellere Fund.

Item 16 – Investment Discretion:

Excellere has discretionary authority to manage the portfolios of each of the Excellere Funds. Investment restrictions are typically negotiated with the investors in each Excellere Fund prior to the investor making a capital commitment to the Excellere Fund.

Item 17 – Voting Client Securities:

Generally, Excellere does not acquire securities that require it to vote proxies on behalf of its clients. In the event that Excellere does ever hold securities that require it to vote proxies on behalf of its clients, or in circumstances when a member or employee of Excellere or the General Partners that is serving on the board of directors or other governing body of a portfolio company of an Excellere Fund is required to vote on a matter with respect to such portfolio company, Excellere has a responsibility to analyze the issues connected with such votes, evaluate the probable impact on corporate operations and vote the proxies in what it views to be the best interests of its clients. In determining how to vote individual proxies, the Chief Compliance Officer will consult with any appropriate individuals and agree on the manner in which each proxy should be voted on behalf of Excellere’s clients, taking into account the best interests of the clients.

When any proxy raises material conflicts between Excellere or its employees and the Excellere Funds, whether arising from any material business, personal or familiar relationship with senior personnel at a company in question, or a material arrangement with any such company, such conflict will be fully disclosed to the Chief Compliance Officer. In the event of a conflict, the Chief Compliance Officer will determine the manner in which such proxies should be voted so that the vote is in the best interests of its clients, which may include disclosure of the facts surrounding any such material conflict to the board of advisors of the applicable Excellere Fund and obtaining its consent before voting such proxy.

The Chief Compliance Officer will maintain a file or database of (i) its proxy voting policies and procedures; (ii) proxy statements received regarding client securities; (iii) records of votes cast by Excellere on behalf of its clients; (iv) records of client requests for proxy voting information; and (v) any documents prepared by Excellere that were material to the voting decision or that memorialized the basis for the decision, including any correspondence with the board of advisors of the applicable Excellere Fund with respect to the voting of proxies.

If applicable, copies of relevant proxy records, identifying how proxies were voted in connection with the Excellere Funds, and copies of proxy voting policies are available to any investor or prospective investor by contacting the Chief Compliance Officer of Excellere at compliance@excellere.com.

Item 18 – Financial Information:

Excellere is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Excellere Funds.