

PART 2A OF FORM ADV: FIRM BROCHURE



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This firm brochure (this “Brochure”) provides information about the qualifications and business practices of Solamere Capital, LLC, Solamere Management, LLC and Solamere Capital IM, LP (collectively referred to herein as “Solamere”). If you have any questions about the contents of this Brochure, please contact us at (857) 362-9200 or IR@solamerecapital.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.

Solamere is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

Solamere is updating this Brochure as of March 24, 2021 as a part of its annual amendment filing. Solamere last updated this Brochure on March 20, 2020. The following is a summary of material changes included in this annual update:

- Item 4 – The updated amount of clients' assets under management as of December 31, 2020.

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ITEM 4 – ADVISORY BUSINESS

Solamere Capital, LLC (the “Filing Adviser”), a Delaware limited liability company founded in 2008 and a registered investment adviser, directly or indirectly through an affiliate, provides independent discretionary investment advisory services to 17 private investment fund partnerships and limited liability companies (collectively, the “Funds” or the “Advisory Clients”) holding \$2,645,349,057 in assets under management, estimated as of December 31, 2020 (calculated based on “Regulatory Assets Under Management” as defined by the SEC in Form ADV).

The Filing Adviser is affiliated with Solamere Management, LLC, a Delaware limited liability company formed in 2014, which is the only Solamere-affiliated entity with a place of business in New York and which provides investment advisory services to Solamere Capital IM, LP (the “Manager”, together with Solamere Management, LLC, the “Relying Advisers”, and the Relying Advisers collectively with the Filing Adviser, “Solamere” or the “Adviser”). The Manager provides day-to-day management and advisory services to certain Funds or to the general partner of such Funds, including, but not limited to, Solamere Founders Fund I GP, LP, Solamere Capital Fund II GP, LP, and Solamere Capital Fund III GP, LP (collectively, referred to with Solamere Group, LLC as the “General Partner”). The General Partner of each Fund has complete discretion and exclusive responsibility and authority for all investment decision making of such Fund.

The Funds are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”) and offer securities that are not registered under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”). The Adviser provides day-to-day management and advisory services to the Funds or to the General Partner.

Solamere’s investment activities are led by its Managing Partners: Taggart Romney, Eric Scheuermann, and Spencer Zwick (collectively, the “Managing Partners”). Solamere is principally owned by its Managing Partners.

The General Partner of each Fund is responsible for managing the capital committed to various Funds and for seeking long term capital appreciation through its recommended investments. In general, Solamere advises regarding the allocation of capital to private equity, venture capital, mezzanine and distressed debt investments in the U.S., Europe, Asia Pacific and Latin America. Fund investments generally include: (i) investments in private operating companies (“Portfolio Company Investments”) and (ii) investments in other private investment funds focused on a diversified set of strategies (“Fund Investments”). Solamere provides advice on investment opportunities across a broad range of industries, transaction types and levels in the capital structure.

Solamere does not tailor its advisory services to the individual needs of investors in the Funds (“Fund Investors”). Generally, Fund Investors may not impose restrictions on investing in certain securities or types of securities. In general, each Fund will invest and operate according to the terms specified in its Private Placement Memorandum and/or Limited Partnership Agreement or Limited Liability Company Agreement, as applicable (collectively referred to as the “Governing Documents”).

The Governing Documents generally set forth the detailed terms and conditions for each of the Funds, including, without limitation, the term of the Fund, capitalization, capital contributions, profits and loss allocation, distribution allocation, Management Fees (as defined below), expenses, transfers, withdrawals, dissolution, liquidation, liability and indemnification. The Governing Documents provide that the applicable General Partner is authorized to use discretion to cause the Funds to invest all of the capital

commitments of the Funds, subject to the investment policies and investment restrictions provided for in the Governing Documents.

Each of the Funds, to which Solamere, directly or indirectly through an affiliate, provides its investment advisory services, is a private investment vehicle and is not publicly offered. No part of this Brochure is a general solicitation of potential investors in a Fund. This Brochure is intended solely to describe Solamere's business.

Solamere does not participate in any wrap fee programs.

ITEM 5 – FEES AND COMPENSATION

Any fees and potential performance-based compensation paid by a Fund, as applicable, are set forth in detail in such Fund's Governing Documents. The following is a brief summary of fees and potential performance-based compensation generally applicable to Fund Investors.

The General Partner of each Fund, or its designee, receives a management fee (the "Management Fee") (generally equal to a specified percentage of aggregate Fund commitments ranging from 0.5% to 2%) to cover investment management and administrative services provided to the Funds. Fees are set forth in detail in the Fund's Governing Documents. Management Fees are calculated for and allocated to each of our Funds as set forth and disclosed in each Fund's Governing Documents. After the investment period or other events set forth in the Fund's Governing Documents, Management Fees generally are calculated as a percentage of invested capital and fair market value as determined in each Fund's Governing Documents. Management Fees are calculated and paid quarterly in advance. Fund Investors may not choose to be billed in any other manner. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with Fund Investors. Certain Funds are not subject to a Management Fee.

In addition to the Management Fee, the General Partner is eligible to receive a performance-based incentive allocation of capital gain and profits. Any such performance-based capital gain allocation is based on the performance of investments made by the Fund above the capital returned to Fund Investors. Item 6 below describes such performance-based gain allocation in more detail. All distributions are split between Fund Investors and the General Partner as set forth in the applicable Fund's Governing Documents.

The amount and duration of the Management Fee and incentive allocation are set prior to the commencement of a Fund's term and are not cancelable except for cause and by a vote of the Limited Partners. Fund Investors may not obtain a refund of a pre-paid fee, may not withdraw from the Fund, and may not transfer any of their interest, rights or obligations under the Fund without the prior written consent of the General Partner.

It is important to note that when a Fund has committed to a Fund Investment, the Fund Investment is subject to the management fees and performance-based fees of the underlying investment manager as well as the fund expenses of the underlying private investment fund; therefore, Fund Investors indirectly bear a portion of the management fees, performance-based fees and fund expenses incurred by the Fund in connection with such Fund Investment, which over time are expected to be substantial.

On occasion, the General Partner, Solamere or the Manager receives fees from the private operating companies in which a Fund makes an investment. These fees are typically to compensate the General Partner, Solamere or the Manager for advisory-related or operational advice provided to such companies. The General Partner, Solamere or the Manager generally have discretion over whether to charge such fees to such companies and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such fees generally will give rise to conflicts of interest between the Funds, on the one hand, and the General Partner, Solamere or the Manager on the other hand. The Management Fee payable quarterly generally shall be reduced by a specified percentage of a specified portion of any such monitoring fees received by the General Partner, Solamere or the Manager during the immediately preceding quarterly period. Unless otherwise agreed with Fund Investors, such monitoring fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term. Amounts necessary to reimburse the General Partner, Solamere and/or the Manager for their unreimbursed costs and expenses incurred in connection with transactions or in connection with generating any such fees are borne by the applicable Fund(s), and such amounts do not reduce the Management Fee.

Fund Investors typically pay or reimburse the General Partner for up to a predetermined dollar amount of the relevant Fund's and its affiliated entities' organizational and startup expenses including travel, printing, legal, administrative, consulting, salary, filing and accounting fees and expenses, capital raising, regulatory compliance (including the initial compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), any administrative or other filings, and other organizational expenses. The General Partner will bear the cost (through an offset against the Management Fee or otherwise) of all such organizational expenses in excess of this amount, if any, and of any placement fees payable to any placement agent in connection with the formation of the relevant Fund.

Additionally, the Funds generally will pay, or reimburse the General Partner for all other fees, costs, expenses, liabilities and obligations relating to the respective Fund and/or its activities, business, and actual or potential investments that are not reimbursed by the investments, including all fees, costs, expenses, liabilities and obligations, as set forth more fully in each Fund's Governing Documents. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto.

To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to Solamere and its personnel.

Further details with respect to the types of expenses to which a Fund Investor may be subject are determined in advance and detailed in the applicable Governing Documents.

Certain Fund Investors and/or other parties, which include executive partners, advisors and other members of the Solamere Network (as defined below), have the right to participate in a co-invest pool of 10% of the estimated aggregate amount of every private equity investment allocated to an applicable Fund. Co-investments made through this program are not subject to Management Fees or carried interest; however, this co-investment program bears its pro rata share of certain expenses in connection with such investments, including dead deal costs.

The Managing Partners may, from time to time, receive a management fee or other compensation (including, without limitation, performance-based compensation) with respect to other co-investments, and often hold equity interests in, and participate in co-investments through any entity that co-invests alongside a Fund.

Solamere and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Solamere Funds that will neither be subject to an offset against any management fees payable to the Solamere Funds nor will otherwise be shared with the Solamere Funds and/or portfolio companies. For example, airline travel or hotel stays incurred as Solamere Fund or account expenses typically result in cash rebates, "miles," "points," or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Solamere and/or such personnel (and not the Solamere Funds and/or portfolio companies) even though the cost of the underlying service is borne by the Solamere Funds and/or portfolio companies.

It is critical that Fund Investors refer to the applicable Fund's Governing Documents for a complete description of expenses and fees.

The General Partner has entered and may enter into additional agreements or side letters (“Side Letters”) or other similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Governing Documents with respect to such investors.

Principals or other current or former employees of Solamere generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Solamere or its affiliates.

Solamere does not receive compensation from the sale of investment products such as mutual funds, etc.

It is critical that prospective investors and Fund Investors refer to the relevant Governing Documents for a detailed understanding of applicable fees and expenses. The information contained herein is a summary only and is qualified in its entirety by such Governing Documents.

ITEM 6 – PERFORMANCE-BASED FEES AND COMPENSATION AND SIDE-BY-SIDE MANAGEMENT

Where applicable and as described in detail in the Governing Documents, the General Partner's incentive allocation referred to above is generally a percentage of the profits generated after exceeding a hurdle rate of return for capital contributed by Fund Investors. The Governing Documents for each Fund sets forth the formula for the allocation of profits and losses, and the cash distribution order, of each such Fund.

The Governing Documents for each Fund providing such an incentive allocation describes the method by which the assets of such Fund will be valued, and distributions to the General Partner for each such Fund depend, in part, on the unrealized value of certain investments. This could provide an incentive for the General Partner to use higher valuations. However, each such Fund reports in conformity with U.S. Generally Accepted Accounting Principles (GAAP), which require fair value measurements.

It should be noted that the General Partner may not receive any performance-based gain allocation or fee-based compensation from certain Solamere-affiliated personnel or other Fund Investors who invest in the Funds in accordance with each Fund's Governing Documents and at the sole discretion of the General Partner. Furthermore, the General Partner may not charge management fees or performance-based gain allocation for certain Fund Investors who co-invest in transactions alongside our Funds in accordance with each Fund's Governing Documents as determined by the General Partner. However, in other cases, the Managing Partners may receive management fees, monitoring or other fees from certain private operating companies held by the Fund(s) and/or performance-based gain allocation for certain Fund Investors who co-invest in transactions alongside the Funds. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors (which could include co-investment vehicles managed by Solamere, third parties, portfolio company management or employees and/or others), which have the potential to be significant.

The potential performance-based allocation of such gain to the General Partner may create an incentive for Solamere or the Manager to recommend, or the General Partner to make, investments that are more speculative than would be the case in the absence of performance-based allocation. Further, the Management Fee provisions may also create an incentive for the Manager or Solamere to recommend, or the General Partner to seek out investments towards the end of the Fund's investment period that would provide the opportunity to earn such fees based on capital under management. However, such incentives are tempered by the fact that losses will reduce the Fund's performance – which would reduce any performance-based gain allocation or asset-based Management Fee available to the General Partner or its designee. The General Partner believes that the potential for performance-based gain allocation helps to create an alignment of interest between the General Partner and Fund Investors.

Additionally, from time to time and as permitted by the relevant Governing Documents, the General Partner expects to provide (or agrees to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Solamere's personnel and/or certain other persons associated with Solamere and/or its affiliates (*e.g.*, a vehicle utilized to co-invest an annually specified percentage alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable Portfolio Company Investment at the same time and on the same terms as the Fund making the investment. However, the General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities, on such terms and in the size, if any, as the General Partner determines, to one or more Fund Investors and/or other parties, which may include

executive partners, advisors and other members of the Solamere Network. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, the General Partner considers some or all of a wide range of factors, which are further discussed in the relevant Governing Documents.

The General Partner typically enters into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights. This subjects the General Partner to potential conflict of interest.

Prospective Fund Investors are provided with the Fund's Governing Documents, which contain more fully detailed fee disclosures. Prospective Fund Investors should review such disclosures carefully.

ITEM 7 – TYPES OF CLIENTS

As described in Item 4, Solamere’s principal activity is providing independent investment advisory services to 17 U.S.-domiciled private investment fund partnerships and limited liability companies (collectively, the “Funds” or the “Advisory Clients”).

The Funds offer interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. An investment in a Fund is generally restricted to Fund Investors, which qualify as “accredited investors,” as that term is defined under rule 501(a) of Regulation D of the Securities Act. Some Funds further require investors to qualify as “qualified purchasers” as that term is defined under the Investment Company Act. Generally, Fund Investors must invest a minimum of \$10,000,000 for each Fund, although certain Funds have lower minimum investment amounts. In each case, the investment minimum is subject to waiver at the discretion of the General Partner.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

As a general matter, Solamere utilizes particular investment strategies and methods of analysis described in each Fund's offering and Governing Documents, which are provided to Fund Investors prior to the time of an investment. The information contained herein is a summary only and Fund Investors should refer to the applicable Fund's Governing Documents for a complete overview of Solamere's methods of analysis and investment strategies and the risks associated therewith.

As discussed in Item 4 above, Solamere, directly or indirectly through an affiliate, advises the General Partner to allocate capital generally to private equity, venture capital, mezzanine and distressed debt investments in the U.S., Europe, Asia Pacific and Latin America. Our recommendations include: (i) investments in other private investment funds focused on a diversified set of strategies ("Fund Investments") and (ii) investments in private operating companies ("Portfolio Company Investments"). Solamere may recommend investments across a broad range of industries, transaction types and levels in the capital structure.

Solamere's investment objective is to recommend investments, which provide capital preservation and attractive investment returns on a risk-adjusted basis for our investors. We seek to focus on minimizing the risk of capital loss and maximizing returns at each stage of our investment recommendation and monitoring process, particularly as it relates to sourcing, performing due diligence, structuring, negotiating, executing and monitoring our investments.

- With respect to **Fund Investments**, we seek to recommend a select number of private investment partnerships that have the potential to generate attractive returns relative to their peers. The Managing Partners believe this investment strategy should help to generate attractive risk-adjusted investment returns.
 - Our evaluation of Fund Investments takes into account several factors such as the investment track record of the portfolio managers and/or fund, the merits and historical discipline of the investment strategy, organizational sustainability, opportunity for co-investment and other economic and legal considerations. Due diligence may involve, but is not limited to, quantitative analysis of the investment track record of a firm's previous and current investments, meetings and phone calls with management of a firm's partnership, discussions with management of past and current portfolio company investments, and customary legal diligence.
 - In addition to relying on publicly reported information, we analyze private offering memoranda and supporting due diligence materials. We analyze the backgrounds of important investment professionals through direct research, often through discussions with investment professionals, portfolio company executives, co-investors and other relevant industry contacts.
 - We regularly monitor the activities of Fund Investments through their annual reports and financial statements, their annual limited partner meetings and semi-regular visits with the management of each firm's partnership.
- With respect to **Portfolio Company Investments**, we seek to recommend private operating companies where we believe there is an opportunity to generate attractive returns for our investors through the strategic and operating value-add of the broader Solamere network, and/or the expertise of any other investor we may partner with.

- Our evaluation of Portfolio Company Investments may include, depending on the specific circumstances, analysis of historical financial statements and future projections of the underlying business; in-person meetings with management; visits to key company locations; discussions with key customers, suppliers, and competitors; background checks and reference checks of senior management; legal, accounting and related due diligence; and the investigation of other important risks associated with each potential investment. In addition to company-specific considerations, we evaluate the underlying industry including major growth trends, current market dynamics, potential for new competitive entrants and substitutes; and the impact of potential future socio-economic, market and political trends.
- We regularly monitor the activities of Portfolio Company Investments through regular communications, financial tracking and in some cases representation or observer rights on such company's Board of Directors.

Importantly, it should be noted that investments in securities such as those described above always involve a risk of loss that investors should be prepared to bear.

Investments in equity securities, and specifically investments in private equity and venture capital securities (which are the focus of Solamere's investment recommendations), entail substantial risks. Such investing should, therefore, be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents.

Our investment strategies do not involve frequent trading of securities, and thus Funds, which are directly or indirectly advised by Solamere, are not expected to incur the drag on investment performance resulting from the increased brokerage and other transaction costs and taxes of such a frequent trading strategy.

Below we highlight some of the general and specific risks associated with our investment strategies. The below list is not comprehensive and there can be no assurance that an Advisory Client will be able to achieve its investment objectives or that the Fund Investors will receive a return of their capital. The information contained herein is a summary only. Fund Investors and prospective investors should refer to the respective Fund offering and its Governing Documents for a complete overview of the types of securities Solamere recommends and the material risks associated therewith. Private equity investing involves the risk of loss of capital, including the risk of loss of the entire investment, which investors should be prepared to bear.

- **Fund Investments in other funds; Co-Investments.** The investment portfolio may consist, in part, of commitments to other investment funds. Each such Fund will generally not have any discretion regarding how those commitments are invested, or how the investments made with its commitments are managed or liquidated. While such Fund will seek to invest with what it believes to be attractive private equity or venture capital firms, past performance is no indication of future success, and it is possible that such Fund will lose some or all of its commitment to any of such firms. In addition, such Fund will be dependent on the key personnel of the investment firms to which it commits, and will have no control over their possible departure from such firms. A Fund that makes Fund Investments also involves two levels of fees and expenses, one at the Fund level and one at the underlying fund level. Other Solamere investment vehicles are expected to co-invest directly through privately negotiated transactions in Portfolio Company Investments in which one or more Funds, through a Fund Investment, is indirectly invested ("Partner Fund Co-Investments"). Such Partner Fund Co-Investments may be presented to other Solamere investment vehicles as a result of the applicable Fund Investment's relationship with Solamere through the Fund's investment therein. Absent such relationships and investments, Solamere likely would not be presented with the opportunity to make

such Partner Fund Co-Investments on behalf of other Solamere investment vehicles. Solamere may have an incentive to select Fund Investments that are more likely to provide Partner Fund Co-Investment opportunities.

The General Partner is authorized, in its sole discretion, to provide or commit to provide co-investment opportunities, in the size, if any, the General Partner determines, to one or more Fund Investors and/or other parties, which potentially include executive partners, advisors and other members of the Solamere network ("Solamere Network"). The General Partner's procedures permit it to take into consideration a wide range of factors, which include the likelihood that an investor will invest in a future fund sponsored by the General Partner or its affiliates. The General Partner is authorized to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Portfolio Company Investments or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities have the potential to be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund Investors. When and to the extent that employees and related persons of Solamere and its affiliates make capital investments in or alongside certain Funds, Solamere and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

- **Reliance on Underlying Managers.** To the extent a Fund makes investment in Underlying Managers, the returns of those Fund Investments are primarily dependent upon the performance of unrelated investment managers and management teams. A significant component of Solamere's investment advisory business is its fund of funds investment program. Such Funds depend on managers of the private funds in which they invest. Such Funds generally are limited partners in underlying private funds and, therefore, do not have the ability to participate in the management and control of these private equity funds or the ability to control the timing of capital calls or distributions received from underlying funds or over investment decisions made by such funds.
- **Business Risks.** A Fund's portfolio of investments in private companies (and the investment portfolio of the other investment funds to which it makes commitments) will consist, in part, of securities issued by privately held (and potentially also unseasoned) companies, the operating results for which will be difficult to predict in a specified period. Such investments involve a high degree of business and financial risk that can result in substantial losses.
- **Illiquidity; Lack of Current Distributions.** An investment in a Fund 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, generally will occur only upon the partial or complete disposition of an investment (whether by the Fund or by one of the other investment funds to which it commits). While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.
- **Leveraged Investments.** The Fund Investments are authorized to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. As security for such borrowing or guarantees, the Fund Investments may guarantee a portfolio company's debt and/or grant

liens on any of the Fund Investments' assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio company. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a Fund Investor to such assets in an insolvency event or proceeding. It is not expected that the Fund Investments would be compensated for providing such guarantee or exposure to such liability. Additionally, the Fund Investments may borrow through a subscription-based credit facility (a "subscription line"), which poses additional risks and potential conflicts of interest as further described below. The Fund Investments also may have a portfolio company incur leverage through the use of the Fund Investments' subscription line or otherwise to finance operations, including with respect to add-on investments. Leverage generally magnifies opportunities for gain and risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs that may not be covered by distributions or appreciation of investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and could impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of 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 investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a partial or total loss of capital invested in the portfolio company would be expected to be suffered, which could adversely affect returns. Furthermore, should the credit markets be limited or costly at the time that it is desirable to sell all or a part of a portfolio company, an exit multiple or enterprise valuation consistent with forecasts may not be achieved. The Funds also reserve the right to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Funds also will result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments. The Funds are authorized to incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Funds incur leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Funds' investors and such investors' contributions may be required to be made directly to the lenders instead of the Funds. Additionally, the incurrence of leverage by the Funds or a flow-through entity owned by the Funds may cause tax-exempt Fund Investors to recognize UBTI.

- **Subscription Lines.** The Funds expect to enter into subscription lines with one or more lenders in order to finance its operations (including the acquisition of the Funds' investments and the payment of expenses). Fund-level borrowing subjects Fund Investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Fund Investors, Fund Investors may be obligated to contribute capital directly to the Funds' lenders and/or contribute capital on an accelerated basis if the Funds fail to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Fund Investor claim against the Funds would likely be subordinate to the Funds' obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental expenses that will be borne by Fund Investors. These expenses typically include interest on the amounts borrowed, unused commitment fees

on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the Fund Investors and the terms of the Governing Documents, it may be higher than the interest rate a Fund Investor could obtain individually.

Conflicts of interest have the potential to arise in that the use of such facilities typically delays the need for Fund Investors to make certain contributions to the Funds, which has the potential to enhance the Funds' performance figures and thereby benefit the General Partner and its affiliates. To the extent a particular Fund Investor's cost of capital is lower than the Funds' cost of borrowing, Fund-level borrowing can negatively impact a Fund Investor's overall individual financial returns even if it increases the Funds' reported net returns and thereby benefits the marketing efforts of the General Partner and its affiliates. Calculations of IRRs in respect of the Funds as reported to Fund Investors from time to time are generally based on the payment date of capital contributions received from Fund Investors and not the date of an investment by the Funds. This treatment also applies in instances where the Funds utilize borrowings under the Funds' subscription line in advance of receiving capital contributions from Fund Investors to repay any such borrowings and related interest expense. As a result, use of a subscription line or similar borrowing or guarantees generally will result in a higher reported net IRR than if the facility had not been utilized and instead such Fund Investor's capital had been contributed at or prior to the inception of an investment.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses. Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Funds nor Fund Investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement may contain other terms that restrict the activities of the Funds and the Fund Investors or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a Fund Investor's interest in the Funds. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Fund Investors to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Fund Investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the Funds to make investments and pay expenses without calling capital, potentially for extended periods of time. To the extent provided in the Governing Documents, any such borrowing may remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the Funds. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for Fund Investors that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Funds. This risk would be heightened for a Fund Investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Fund Investor to meet the accumulated, larger capital calls at the same time. The Funds may also utilize fund-level borrowings when the General Partner expects to repay the amount outstanding through means other than Fund Investor capital, including as a bridge for equity or debt capital with respect to an investment. If the Funds ultimately are unable to repay the

borrowings through those other means, Fund Investors would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the Fund Investors without a preferred return accrual on the amount invested by the Funds (due to the absence of invested capital funded by Fund Investor) prior to the determination of carried interest distributions. Accordingly, borrowings by the Funds may support the distribution of proceeds to Fund Investors and increase the potential carried interest for the General Partner; however, the interest incurred by the Funds due to such borrowing would reduce the carried interest received by the General Partner. Subject to the limitations in the Governing Documents, if any, this conflict of interest may incentivize the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Funds and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

- **Limited Transferability of Fund Interests.** There is no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.
- **Restricted Nature of Investment Positions.** Generally, there will be no readily available market for a substantial number of Fund investments, and hence, most Fund investments will be difficult to value.
- **Focus on Early-Stage Investments.** A Fund, and the other investment funds to which it makes commitments, may make investments in small companies and early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by a Fund will be successful.
- **Future and Past Performance.** The performance of the Managing Partners' prior investments is not necessarily indicative of any Fund's future results. While the General Partner intends for the Fund 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, substantial or total loss of principal is possible.
- **Investment in Junior Securities.** The securities in which a Fund invests (and in which the other investment funds to which it makes commitments 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 a Fund's investment once made.
- **Director/Advisory Board Liability.** A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors, advisory boards or similar governing body of Portfolio Company and Fund Investments in which it invests. Serving on the board of directors advisory boards or similar governing body of a Portfolio Company or Portfolio Fund Investment exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not every Portfolio Company or Portfolio Fund Investment may obtain insurance with respect to such liability, and the insurance they do obtain may be insufficient to adequately protect officers, directors or advisory board members from

such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

- **Non-U.S. Investments.** A Fund may invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.
- **Cybersecurity Risks.** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Solamere or one of its service providers holding its financial or investor data, Solamere, its affiliates or the Funds may also be at risk of loss.
- **Pandemic Risks.** As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their portfolio companies and could adversely affect a Fund's ability to fulfill its investment objectives.
- **Diverse Investor Group.** Investors are likely to have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors could relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments and the structure, timing, or manner of disposition of investments. Solamere will not manage any Fund with regard to any particular limited partner's general circumstances, tax position

and sensitivities, risk tolerance, investment time horizon, investment program preferences, or cash flow/liquidity status. As a consequence, conflicts of interest are likely to arise in connection with decisions made by Solamere regarding an investment, 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 Solamere Funds, Solamere will consider the investment and tax objectives of each Solamere Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

- **Material Non-Public Information; Other Regulatory Restrictions.** As a result of the operations of the Adviser and its affiliates, the Adviser frequently comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment, which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Adviser's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Adviser or the funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the Adviser's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Adviser or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

- **Conflict of Interest.** In connection with managing investment funds other than the Funds, the Managing Partners expect to spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of the Funds for other investment funds and other than on behalf of a particular Fund. The Managing Partners' and the General Partner's investment staff will continue to manage and monitor such investment funds and investments, although the Managing Partners expect that the time required to do so will be less than will be spent on Fund matters. The General Partner believes that the significant investment of the Managing Partners in the Funds, as well as the Managing Partners' interest in the carried interest, operate to align, to some extent, the interest of the Managing Partners with the interest of the Fund Investors, although the Managing Partners have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Managing Partners control or manage could compete with the Funds or investment

funds acquired by the Funds. At such time as the General Partner is permitted to raise a successor investment fund to the Funds, the Managing Partners will continue to manage a Fund's investments, but reserve the right to, and likely will, focus investment activities on other opportunities and areas unrelated to a Fund's investments. Certain investments are permitted to be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents.

The information contained herein is a summary only and it is critical that investors refer to the Governing Documents of the applicable Fund for a complete overview of Solamere's investment strategies and methods of analysis and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisers as to whether an investment in a Fund is appropriate for them.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the investment adviser or the integrity of its management. Solamere has no disciplinary matters required to be disclosed under this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A registered investment adviser is required to disclose whether it or any of its management persons are registered, or have an application pending to register, as a (a) broker-dealer or a registered representative of a broker-dealer, or (b) futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Neither Solamere nor any of its management persons are registered as such or have any application for such registration pending.

The affiliated General Partner serves as the general partner to the Funds and in connection therewith maintains investments in those Funds. The Manager serves as the manager to the Funds and provides day-to-day management and advisory services to those Funds. Certain Adviser affiliates are also affiliated with the General Partner. As described in Item 6, this creates a potential conflict of interest in that it may cause the Adviser or the General Partner to take greater risks than they may have taken otherwise.

Certain employees of the Adviser invest directly in the Funds (including co-investment vehicles). The Adviser has adopted a Code of Ethics concerning trading by personnel of the Adviser that is designed to detect and prevent potential conflicts of interest between the Adviser and the Funds and Fund Investors. Please refer to Item 11 below for additional information regarding the Adviser's Code of Ethics.

While Solamere does recommend investment advisers for investments made by the General Partner of the Funds (as disclosed elsewhere in this Brochure), it does not receive direct or indirect compensation from those advisers related to the advisers' selection, nor does Solamere have business relationships with those advisers that create a material conflict of interest. However, because Solamere recognizes that certain of the Managing Partners have personal relationships with managers of certain advisers from time to time, Solamere proactively addresses any possible potential conflicts by requiring unanimous approval from its three Managing Partners before making any investment commitment to an adviser, and in addition by implementing and following the Code of Ethics and its mandates (as discussed in greater detail in Item 11 below).

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Solamere adheres to a principle of maintaining high ethical standards in its business practices and its investing process. In accordance with Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Solamere maintains a Code of Ethics (the “Code”). In general, the purpose of the Code is to (i) define the standards of business conduct, (ii) put in place certain reporting requirements and (iii) ensure safeguarding of proprietary and non-public information. The Code reflects the Firm’s view on dishonesty, self-dealing, conflicts of interest and trading on material, non-public information.

Fund Investors or prospective Fund Investors may obtain a copy of the Code by contacting the Chief Compliance Officer, James Killian, at jkillian@solamerecapital.com.

The Code applies to Solamere’s “Access Persons.” Access Persons include, generally, any partner, officer or director of Solamere and any employee or other supervised person of Solamere who, in relation to the Advisory Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All Solamere employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Solamere’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Fund Investors above their own interests and the interests of Solamere. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Solamere’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Solamere recognizes the potential conflict when employees of an investment adviser make transactions in their personal securities accounts. Solamere reduces this risk by requiring pre-clearance of: (i) a direct or indirect purchase or sale of any securities of a company on Solamere’s Restricted List (described below), (ii) direct or indirect purchase or sale of beneficial ownership in a security in an initial public offering; and (iii) direct or indirect purchase or sale of beneficial ownership in a security in a limited offering. Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

Solamere personnel who are involved in the process of providing investment advice are prohibited under the Code from taking any action including, but not limited to, the purchase or sale of securities, commodities or futures related account that could cause even the appearance of unfair or improper action. The Code requires that such personnel provide statements of all trades qualifying for disclosure on a quarterly basis. The Firm maintains a restricted list (the “Restricted List”) of securities for which the Firm is in possession of material, non-public information or any securities that Solamere or an affiliate hold board seats.

Solamere also maintains a compliance policy and procedures manual and periodically performs steps to ensure that all employees are in compliance with the Code, policies and procedures. The compliance policies and procedures manual and the Code are updated periodically, and their adequacy and the effectiveness of their implementation are reviewed no less frequently than annually.

The Code also seeks to ensure the protection of nonpublic information about the activities of the Advisory Clients.

As explained in Item 10 above, Solamere serves as an advisor to the Manager to the Funds, and the General Partner, which is a related person, serves as general partner of the Funds. Solamere, as an advisor to the Manager, and the General Partner, as general partner, recommend interests in the Funds to prospective Fund Investors.

The Managing Partners have investments in the Funds, and Solamere believes that these investments in the Funds demonstrate commitment to and alignment with the interests of its Fund Investors (the Managing Partners' investment in the Funds are not subject to the management or performance-based fees described in Item 5 above).

In addition, it should be noted that the compensation structure of the Funds could potentially create certain conflicts of interest, which Solamere is aware of and seeks to address. First, the Management Fees paid by the Funds (1) are payable without regard to the overall success of the Funds or income earned by the Advisory Clients, and (2) are material to the operation of Solamere and the financial interests of the Managing Partners. Second, the potential performance-based capital gain allocation could be seen as creating an incentive for Solamere or the Manager to recommend, and the General Partner to make, investments that are riskier or more speculative than would be made in the absence of such a performance-based allocation potential.

The Managing Partners acknowledge that potential conflicts of interest exist from this or any compensation relationship, and have sought to address these potential conflicts of interests in three ways. First, by designing the compensation structure so that it contains both prongs (i.e., Management Fees and performance-based allocation potential), Solamere believes that it mitigates the conflict that would arise if either prong were isolated as the sole available compensation – e.g., the stability of the Management Fee lessens the incentive to recommend and execute speculative investments that might exist if only a performance-based allocation potential were available. Second, Solamere carefully considers the risks involved in any investment and emphasizes investor capital preservation in its investment deliberations, as discussed in Item 8 above. The General Partner also requires unanimous Managing Partner approval for all investments, thus attempting to require deeper analysis, more group deliberation, and mitigation of any potential individual conflicts of interest. Third, the Code (discussed above) requires Access Persons to place the interests of Advisory Clients and Fund Investors over their own or those of Solamere, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

Solamere and the General Partner provide extensive disclosure to Fund Investors regarding the potential risks that come with an investment in the Funds.

Solamere does not regularly engage in interested transactions in which Solamere, or any related person, buys or sells for client accounts securities in which Solamere or a related person has a material financial interest. In certain instances, however, certain of the Funds have purchased securities from related persons. To mitigate any potential conflicts of interest posed by such transactions, in such instances Funds purchased the relevant securities at the same price as was paid by the related persons to purchase such securities.

Except to the extent prohibited by the Governing Documents, Solamere and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the applicable Fund(s) and to receive compensation (including in the form of management

fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Solamere and its personnel are also permitted to offer, restructure and monetize interests in Solamere.

ITEM 12 – BROKERAGE PRACTICES

Solamere, directly or indirectly through affiliates, provides its investment advisory services on a discretionary basis. Solamere generally recommends investments in private companies or private placements. These transactions do not typically involve brokers. Therefore, Solamere generally does not select or recommend broker-dealers for advisory client transactions.

The General Partner has and may in the future receive distributions in the form of stock provided by underlying Fund Investments or received when a private company completes an initial public offering. Solamere uses a brokerage firm to liquidate or distribute securities that become tradable in public markets. These transactions may be done in large block transactions or in smaller trades over a period of time. Solamere selects such brokers based upon a number of factors, including trading execution capabilities, commissions charged, experience handling private equity transactions, customer services capabilities and back-office support.

Solamere has not entered into any “soft-dollar” arrangements with brokers or dealers. (A “soft dollar” arrangement is an arrangement whereby an investment adviser directs client brokerage, or pays higher commissions, to a particular broker-dealer in return for research or other services from such broker-dealer.) Solamere also has not entered into directed brokerage arrangements. (A “directed brokerage” arrangement is an arrangement whereby a client of an investment adviser instructs the adviser to direct a portion of its brokerage transactions to a particular broker-dealer.)

Where applicable, Solamere or the Manager aggregates the purchase or sale of securities for certain of the Funds. The allocation of purchases among participating Funds is determined in accordance with each Fund’s Governing Documents. Participating Funds invest in each investment on substantially the same terms and conditions, and dispose of their investments at substantially the same time, on substantially the same terms, and in the same relative proportions as their holdings.

ITEM 13 – REVIEW OF ACCOUNTS

The Solamere Managing Partners and investment professionals provide continual review and monitoring activity with respect to the Fund Investments and Portfolio Company Investments of the Funds. Such reviews include a review of existing investments, potential investments, investment policy, the suitability of the investments used to meet policy objectives, cash availability, and investment objectives. The investment team considers, among other things, investment performance, the investment's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

All investment decisions made by the General Partner require the unanimous consent of the Managing Partners. Solamere views risk from a macro-economic, industry, and company (operational and legal) perspective.

Solamere reviews the Funds' portfolio with investors at least once per year at our Annual Investor Meeting. In addition, Solamere provides a quarterly report detailing the portfolio as agreed upon in each Fund's Governing Documents. These reports include Fund financial statements, capital account statements, and a summary update. On an annual basis, Fund Investors are provided with annual audited financial statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

No person is being compensated for any current or recent client referrals, nor is any such an arrangement being contemplated for the future.

ITEM 15 – CUSTODY

Solamere is deemed to have custody of the assets of the Funds by virtue of its (or its affiliate's) role as General Partner or Manager of the Funds. A quarterly report detailing the portfolio as agreed upon in each Fund's Governing Documents is provided to Fund Investors, which include Fund financial statements, capital account statements, and a summary update. Solamere complies with Rule 206(4)-2 under the Advisers Act by delivering audited financial statements to Fund Investors after the applicable Fund's fiscal year end in the applicable time frames required by Rule 206(4)-2.

To the extent necessary, Solamere maintains the assets of certain Funds in accounts with a "qualified custodian" pursuant to Rule 206(4)-2 under the Advisers Act.

ITEM 16 – INVESTMENT DISCRETION

As outlined in Item 4, Solamere advises the Manager of each Fund and the General Partner, a related person, has discretionary authority to manage securities accounts on behalf of the Funds subject to the terms set forth in the Governing Documents. The Fund's investment strategy is set forth in detail in the Fund's Governing Documents. Fund Investors do not have the ability to impose limitations on the discretionary authority of Solamere and the General Partner.

Fund Investors of certain of the Funds must generally execute a subscription agreement or similar document in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, Fund Investors of certain of the Funds must execute a limited partnership agreement that contains a power of attorney.

ITEM 17 – VOTING CLIENT SECURITIES

Solamere, directly or indirectly through an affiliate, advises the General Partner who has the authority to vote client securities. Based upon Solamere's business as an advisor to private equity funds (and lack of involvement in publicly-traded equities), it is not expected that proxy voting will occur frequently. There may be occasions, however, when Solamere or the Manager receives notices or proposals seeking the consent of a Fund.

In accordance with Rule 206(4)-6 under the Advisers Act, Solamere and the General Partner of the Funds have adopted Proxy Voting Policies and Procedures to address how Solamere will vote proxies on behalf of the Funds. The policy is designed to ensure that proxies are voted in the best interest of our Advisory Clients and the Fund Investors, including when there may be material conflicts of interest in voting proxies. An Advisory Client or Fund Investor may obtain a copy of Solamere's Proxy Voting Policies and Procedures and information about how Solamere voted proxies by sending an e-mail to finance@solamerecapital.com

Solamere will vote proxies or solicitations in the best interests of the relevant Advisory Client. Prior to voting a proxy or solicitation addressed to a Fund, Solamere's Chief Compliance Officer (or a designated person) and the principals and other investment personnel with knowledge of the relevant portfolio company or partner fund would review the proxy or solicitation to determine if there are any conflicts of interest. If a conflict is identified, such individuals would then make a determination as to whether the conflict is material or not, which may be in consultation with outside legal counsel or compliance consultants. If no material conflict is identified pursuant to these procedures, the proxy will be voted by majority and in accordance with the best interest of the relevant Fund.

If a material conflict is identified, Solamere will determine what course of action is in the best interests of the affected Fund (which may include abstaining from a particular proxy vote or utilizing an independent third party to vote such proxies).

Fund Investors do not have the ability to direct proxy or solicitation votes. Advisory Clients and Fund Investors may obtain additional information regarding how Solamere voted proxies or solicitations and may obtain a copy of Solamere's voting policies and procedures by contacting Solamere as set forth above.

ITEM 18 – FINANCIAL INFORMATION

Solamere has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding or any other events requiring disclosure under this item of the Brochure.