

PART 2A OF FORM ADV: FIRM BROCHURE



**GLADE BROOK**  
CAPITAL PARTNERS

GLADE BROOK CAPITAL PARTNERS LLC  
GB PRIVATE PARTNERS LLC  
80 FIELD POINT ROAD  
GREENWICH, CONNECTICUT 06830  
(203) 861-3000  
[www.gladebrookcapital.com](http://www.gladebrookcapital.com)

March 31, 2021

**DISCLAIMER:**

This brochure provides information about the qualifications and business practices of Glade Brook Capital Partners LLC and GB Private Partners LLC (together “Glade Brook”). If you have any questions about the contents of this brochure, please contact us at 203-861-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Glade Brook is also available on Glade Brook’s website at [www.gladebrookcapital.com](http://www.gladebrookcapital.com) and the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**NOTE:**

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

## **ITEM 2 – MATERIAL CHANGES**

As of March 31, 2021, Glade Brook submitted an annual update to the Brochure. The material changes since submitting the annual amendment to the Brochure on March 30, 2020 include:

1. Glade Brook Capital Partners LLC no longer provides investment advisory services to Glade Brook Private Investors II LP, a Delaware limited partnership and Glade Brook Private Investors V LLC, a Delaware limited liability company.
2. GB Private Partners LLC no longer provides investment advisory services to Glade Brook Private Investors X LLC, a Delaware limited liability company, Glade Brook Private Investors XII LP, a Delaware limited partnership.
3. GB Private Partners LLC has direct investment authority over Glade Brook Private Investors XXI LP, a Delaware limited partnership, Glade Brook Private Investors XXII LP, a Delaware limited partnership, Glade Brook Private Investors XXIII LP, a Delaware limited partnership, Glade Brook Private Investors XXIV LP, a Delaware limited partnership, Glade Brook Private Investors XXV LP, a Delaware limited partnership, and Glade Brook Private Investors XXVI LP, a Delaware limited partnership.
4. GB Public Opportunities Fund II LP, a Delaware limited partnership, was opened and closed during the cover period. GB Public Opportunities Fund II LP was formed to hold and sell or otherwise dispose of public securities. GB Private Partners LLC no longer provides investment advisory services to GB Public Opportunities Fund II LP.

In the future, when Glade Brook amends its Brochure for its annual update (or otherwise), and the amended version contains material changes from the last update, it will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, Glade Brook will provide the date of the last annual update of its Brochure.

### **ITEM 3 - TABLE OF CONTENTS**

ITEM 2 – MATERIAL CHANGES .....	2
ITEM 3 - TABLE OF CONTENTS.....	3
ITEM 4 – ADVISORY BUSINESS .....	4
ITEM 5 – FEES AND COMPENSATION .....	7
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	10
ITEM 7 – TYPES OF CLIENTS .....	11
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS .....	12
ITEM 9 – DISCIPLINARY INFORMATION .....	17
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	18
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	21
ITEM 12 – BROKERAGE PRACTICES .....	23
ITEM 13 – REVIEW OF ACCOUNTS.....	25
ITEM 14 – CLIENT REFERRALS AND COMPENSATION .....	26
ITEM 15 – CUSTODY .....	27
ITEM 16 – INVESTMENT DISCRETION .....	28
ITEM 17 – VOTING CLIENT SECURITIES.....	29
ITEM 18 – FINANCIAL INFORMATION .....	30

## **ITEM 4 – ADVISORY BUSINESS**

Glade Brook Capital Partners LLC is a Delaware limited liability company that was founded in 2011 by Paul J. Hudson. In addition, GB Private Partners LLC (together with Glade Brook Capital Partners LLC, “Glade Brook”) is a Delaware limited liability company that was founded in 2015 by Paul J. Hudson. Glade Brook manages the Private Investment Funds (defined below), the Private Equity Funds (defined below) and the Special Opportunities Fund (defined below).

Paul J. Hudson is the principal owner and managing member of Glade Brook and the principal owner of Glade Brook Capital Management LLC, a Delaware limited liability company. As of December 31, 2020, Glade Brook manages regulatory assets under management of approximately \$1,214,509,982, all on a discretionary basis.

Glade Brook provides discretionary investment services to the following private investment funds (the “Funds” or the “Advisory Clients”):

- Private Investors III LLC (the “Private Investment Fund III”), a Delaware limited liability company, launched in 2014;
- Glade Brook Private Investors VI LLC (the “Private Investment Fund VI”), a Delaware limited liability company, launched in 2015;
- Glade Brook Private Investors VII LLC (the “Private Investment Fund VII”), a Delaware limited liability company, launched in 2015;
- Glade Brook Private Investors IX LLC (the “Private Investment Fund IX”), a Delaware limited liability company, launched in 2016;
- Glade Brook Private Investors XI LP (the “Private Investment Fund XI”), a Delaware limited partnership, launched in 2017;
- Glade Brook Private Investors XIII LP (the “Private Investment Fund XIII”), a Delaware limited partnership, launched in 2018;
- Glade Brook Private Investors XIV LP (the “Private Investment Fund XIV”), a Delaware limited partnership, launched in 2018;
- Glade Brook Private Investors XV LP (the “Private Investment Fund XV”), a Delaware limited partnership, launched in 2018;
- Glade Brook Private Investors XVI LP (the “Private Investment Fund XVI”), a Delaware limited partnership, launched in 2018;
- Glade Brook Private Investors XVII LP (the “Private Investment Fund XVII”), a Delaware limited partnership, launched in 2019;
- Glade Brook Private Investors XVIII LP (the “Private Investment Fund XVIII”), a Delaware limited partnership, launched in 2019;
- Glade Brook Private Investors XIX LP (the “Private Investment Fund XIX”), a Delaware limited partnership, launched in 2019;
- Glade Brook Private Investors XX LP (the “Private Investment Fund XX”), a Delaware limited partnership, launched in 2019;
- Glade Brook Private Investors XXI LP (the “Private Investment Fund XXI”), a Delaware limited partnership, launched in 2020;

- Glade Brook Private Investors XXII LP (the “Private Investment Fund XXII”), a Delaware limited partnership, launched in 2020;
- Glade Brook Private Investors XXIII LP (the “Private Investment Fund XXIII”), a Delaware limited partnership, launched in 2020;
- Glade Brook Private Investors XXIV LP (the “Private Investment Fund XXIV”), a Delaware limited partnership, launched in 2020;
- Glade Brook Private Investors XXV LP (the “Private Investment Fund XXV”), a Delaware limited partnership, launched in 2020;
- Glade Brook Private Investors XXVI LP (the “Private Investment Fund XXVI”), a Delaware limited partnership, launched in 2020;
- GB Private Opportunities Fund, LLC (the “Private Equity Fund I”), a Delaware limited liability company, launched in 2015;
- GB Private Opportunities Fund III Feeder LP (the “Private Equity Fund III Feeder”), a Delaware limited partnership, launched in 2019;
- Glade Brook Strategic Growth LP (the “Strategic Growth Fund I”), formerly GB Private Opportunities Fund II LP, a Delaware limited partnership, launched in 2017;
- Glade Brook Strategic Growth II LP (the “Strategic Growth Fund II”), a Delaware limited partnership, launched in 2019; and
- GB Special Opportunities Fund LLC (the “Special Opportunities Fund”), a Delaware limited liability company, launched in 2017.

Glade Brook Private Management LLC, a Delaware limited liability company, is the general partner or the managing member (as applicable) of Private Investment Fund III.

GB Private Management LLC, a Delaware limited liability company, is the general partner or the managing member (as applicable) of the following Funds:

- Private Investment Fund VI
- Private Investment Fund VII
- Private Investment Fund IX
- Private Investment Fund XI
- Private Equity Fund I
- Strategic Growth Fund I

The general partner of Private Investment Fund XIII is GBPM XIII GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XIV is GBPM XIV GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XV is GBPM XV GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XVI is GBPM XVI GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XVII is GBPM XVII GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XVIII is GBPM XVIII GP LLC, a Delaware limited liability company. The general partner of Private Investment Fund XIX is GBPM XIX GP LLC, a limited liability company. The general partner of Private Investment Fund XX is GBPM XX GP LLC, a limited liability company. The general partner of Private Investment Fund XXI is GBPM XXI GP LLC, a limited liability company. The general partner of Private

Investment Fund XXII is GBPM XXII GP LLC, a limited liability company. The general partner of Private Investment Fund XXIII is GBPM XXIII GP LLC, a limited liability company. The general partner of Private Investment Fund XXIV is GBPM XXIV GP LLC, a limited liability company. The general partner of Private Investment Fund XXV is GBPM XXV GP LLC, a limited liability company. The general partner of Private Investment Fund XXVI is GBPM XXVI GP LLC, a limited liability company. The general partner of the Strategic Growth Fund II and the Private Equity Fund III Feeder is GBPM SG II GP LLC, a Delaware limited liability company. The managing member of Special Opportunities Fund is Glade Brook Capital Management LLC.

Glade Brook Private Management LLC, GB Private Management LLC, GBPM XIII GP LLC, GBPM XIV GP LLC, GBPM XV GP LLC, GBPM XVI GP LLC, GBPM XVII GP LLC, GBPM XVIII GP LLC, GBPM XIX GP LLC, GBPM XX GP LLC, GBPM XXI GP LLC, GBPM XXII GP LLC, GBPM XXIII GP LLC, GBPM XXIV GP LLC, GBPM XXV GP LLC, GBPM XXVI GP LLC, and GBPM SG II GP LLC, together in their respective capacities as the general partner to certain Funds as described above, shall collectively be referred to herein as the “General Partner”. Glade Brook Private Management LLC and GB Private Management LLC, together in their respective capacities as the managing member to certain Funds as described above, shall collectively be referred to herein as the “Managing Member”.

Glade Brook invests Private Equity Fund I, Strategic Growth Fund I, Strategic Growth Fund II and the Private Investment Funds in U.S. and non-U.S. private equity securities. The Private Investment Funds are co-investment vehicles which are offered to a limited sub-set of investors or third parties, in accordance with Glade Brook’s aggregation and allocation policy and procedures. The Special Opportunities Fund participates in initial public offerings (“IPOs”) of the securities of companies in which the other Funds are invested (“Portfolio Companies”). Glade Brook concentrates largely on technology and technology-related sectors. Glade Brook’s investment approach is based on fundamental research. However, Glade Brook has broad and flexible investment authority, including the discretion to invest in various financial instruments and securities. See the discussion in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

Generally, Glade Brook does not tailor its advisory services to the individual needs of investors in the Funds (“Investors”). The Funds are open only to certain financially sophisticated and high net-worth individuals and entities, as more fully discussed in Item 7, Types of Clients.

## **ITEM 5 – FEES AND COMPENSATION**

### **Management Fees and Incentive Amount**

Generally, Glade Brook receives a fixed quarterly management fee (the “Management Fee”) that ranges from 0%-2% as described in the Fund’s offering and governing documents. Generally, the Management Fee is payable quarterly in advance and is generally computed based on an Investor’s (a) capital commitment to the Fund or (b) capital contributions attributable to the Fund’s investment. Further, certain Funds are charged a Management Fee equal to a percentage of invested capital.

Generally, the General Partner or Managing Member is eligible to receive an incentive amount (the “Incentive Amount”) equal to 0%-25% of the assets in excess of the respective Fund’s Investor’s capital contribution at the time of distribution in accordance with the Fund’s offering and governing documents. For certain Funds, the Incentive Amount is subject to certain provisions, including, but not limited to, a preferred return and clawback.

Management Fees and Incentive Amounts are not negotiable but may be (and have been) waived or modified in the sole discretion of Glade Brook or an affiliate. The portions of the Management Fees and Incentive Amounts borne by Investors are deducted from Investor assets in the respective Fund. Generally, Investors do not have the ability to choose to be billed directly for fees incurred.

### **Other Expenses**

In addition to the Management Fees and Incentive Amount, the Funds generally bear all actual out-of-pocket expenses incurred in connection with the organization of the Fund and the offering of Interests and of securities of any other company or vehicle formed by the General Partner/Managing Member or its affiliate for the purpose of holding Interests, including legal and accounting fees, fees and expenses related to the negotiation of agreements with limited partners (including side letters), printing costs, travel and other expenses. The Funds will generally bear all costs and expenses in connection with portfolio investments or prospective investments (and the evaluation of such investments, including for the avoidance of doubt, the evaluation of such investments prior to the initial closing), whether or not consummated, including research products and services, research travel-related costs and expenses, retainers to third-party consultants/advisors, research reports and consultations (including expert consultants and third party consultants/advisors), expenses incurred in obtaining, developing or maintaining market data technology systems, research and other information and information service subscriptions utilized with respect to the Fund’s investment program, out-of-pocket costs such as legal, accounting, auditing and other professional or third-party costs, brokerage commissions and other transaction costs, interest charges, custody fees, banking fees, compensation (which may include fees or performance-based compensation) of advisors, sub-advisors, consultants and finders or other professionals relating to investments or prospective investments (whether or not completed), any expenses associated with regulatory filings made in connection with the Fund’s operations and/or holdings (including but not limited to Form PF and Section 13 filings) to the extent they are in connection with, relate to or derive from the Fund or its investment activities, expenses associated

with certain reporting to existing and prospective limited partners, principal, fees, costs and expenses incurred in connection with borrowings by the Fund, appraisal costs, any withholding or transfer taxes imposed on the Fund, expenses incurred in connection with the Fund's dissolution, liquidation, winding-up and termination, and other reasonable expenses related to the purchase, sale or transmittal of the Fund's assets. The Funds also generally bear all out-of-pocket costs of the administration of the Fund, including accounting, audit and legal expenses, and other professional or third-party costs, including costs and expenses of third-party valuations, any fees and expenses of the administrator, insurance expenses (including directors' and officers' insurance, errors and omissions insurance, key-person life insurance policies, fidelity insurance and other similar policies), costs of holding any meetings of partners, costs of any litigation or investigation relating to the affairs of the Fund, expenses of advisory committees and costs associated with reporting and providing information to existing and prospective partners.

Generally, any fees, costs and expenses (including diligence, legal and related transactional expenses) incurred in relation to transactions allocated to the Fund and approved by Glade Brook which are not completed (a "Broken Deal") will be borne by the Fund and any other participating Fund(s) and any co-investors that had executed a subscription agreement committing them to funding a co-investment pro rata based on their respective committed and/or allocated amounts at the time the deal is broken. For the avoidance of doubt, in the event there are no other participating Fund(s) and/or other co-investors, the Fund will bear any and all Broken Deal related expenses. Glade Brook may in its sole discretion structure an investment opportunity such that the proposed co-investors in such investment opportunity do not bear any Broken Deal expenses, with the result that the Fund will bear all such Broken Deal expenses.

Certain Funds will generally pay any placement, solicitation or other similar types of third party marketing fees due in respect of any Limited Partner solicited by a placement agent. Such placement fee shall be treated as an expense of the Fund and allocated to such solicited partner; provided that the Management Fees attributable to such solicited partner shall be reduced dollar for dollar (to the extent of the amount of such placement fees).

In certain cases where multiple investment series or classes are created within a Fund, expenses of the Fund generally shall be shared by all of the Investors in each investment series or class that was in existence during a calendar year, pro rata in accordance with their interests in the Fund; provided, that Glade Brook can specifically allocate expenses to any investment series or class, or in such other manner as Glade Brook considers fair and reasonable.

Expenses that are incurred jointly for multiple accounts are generally allocated among those Funds pro rata based on assets under management or in such other manner that Glade Brook considers fair and reasonable.

Notwithstanding the foregoing, Glade Brook may, in its sole discretion, determine to bear all or a portion of a particular expense based on the circumstances related to such expense.

Additionally, the Funds have undertaken to indemnify their managing members, general partners, investment managers, advisory committee members and certain third-party service providers (and certain related persons of each of the foregoing) for losses and expenses sustained



by such persons, provided that such losses did not arise from such persons' violation of applicable standards of conduct (for example, did not arise from such persons' gross negligence or fraud). Additional detail on each Fund's indemnification obligations is included in its offering and governing documents.

Please refer to Item 12 of this Brochure for a description of Glade Brook's brokerage practices.

**IT IS CRITICAL THAT INVESTORS REFER TO THE RELEVANT OFFERING AND FUND GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF APPLICABLE FEES AND EXPENSES. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENTS.**

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5, Fees and Compensation, above and in the relevant Fund's offering and governing documents, Glade Brook's affiliates are eligible to receive performance-based compensation from the Funds (and, indirectly, from Investors). It should be noted that such a compensation arrangement may create an incentive for Glade Brook to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect.

Glade Brook presently provides investment advisory services to the Funds, and each is subject to a performance-based fee. As such, Glade Brook does not have the potential conflicts of interest that arise when an investment adviser has both clients that pay performance-based fees and clients that do not pay performance-based fees.

Glade Brook recognizes that it is a fiduciary and, as such, must act in the best interests of its clients and Investors. Further, Glade Brook recognizes that it must treat all clients and Investors fairly and must refrain from favoring one client or Investor's interests over another's. As needed, Glade Brook assesses the allocation of its resources, including investment personnel, among its clients to ensure adherence to its fiduciary duties.

## **ITEM 7 – TYPES OF CLIENTS**

Glade Brook provides investment advisory services to pooled investment vehicles operating as private investment funds. Investors must meet certain eligibility requirements outlined in each Fund’s offering memorandum and/or governing documents. The offering memorandum and/or governing documents for each Fund set forth the required minimum amounts for investment in such Fund. Minimum investment amounts may be (and have been) waived at the sole discretion of the Fund’s General Partner or Managing Member (but in no event less than applicable legal minimums).

The Funds offer interests/shares only to certain qualified investors and admission to those Funds is not open to the general public. Investors in the Funds, except in Private Equity Fund I, generally must be “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Investors in Private Equity Fund I generally must be “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933.

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

The investment strategies, methods of analysis and material risks applicable to an investment in the Funds are set forth in detail in a confidential private placement memorandum or similar document provided to prospective Investors. A brief summary is provided below.

**AN INVESTMENT IN THE FUNDS MAY BE DEEMED SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. INVESTING IN THE SECURITIES MARKETS INVOLVES SIGNIFICANT RISK. INVESTMENTS IN THE FUNDS ARE APPROPRIATE FOR ONLY EXPERIENCED AND SOPHISTICATED PERSONS WHO MEET CERTAIN ELIGIBILITY CRITERIA, ARE ABLE TO BEAR THE RISK OF LOSS OF SOME OR ALL OF AN INVESTMENT, AND HAVE A LIMITED NEED FOR LIQUIDITY.**

### **Methods of Analysis**

The Private Investment Funds were formed for the purpose of investing all or substantially all of their respective assets in the privately offered shares of a single company. Private Equity Fund I and Strategic Growth Fund I were formed for the purpose of investing all or substantially all of their respective assets in the privately offered shares of various companies. The Special Opportunities Fund was formed for the purpose of participating in IPOs of Portfolio Companies.

### **Significant Investment Strategies and Material Risks**

*Investment and Trading Risks.* An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Funds' investment programs will be successful. Markets have in recent years experienced significant volatility and losses and investments in the companies may be sensitive to economic, regulatory, market, industry and other variable conditions to a greater or lesser degree than other securities. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

Certain impacts from the COVID-19 outbreak may have a significant negative impact on the Funds' operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Funds will depend on future developments, which are highly uncertain and cannot be predicted.

*Concentration of Investments.* The investments in the companies will represent a large portion, if not all, of the respective Fund's capital and losses incurred with respect to the investments would have a material adverse effect on such Fund's overall financial condition. The Funds' portfolios may not be diversified among a wide range of issuers or industry sectors and accordingly, assets may be subject to more rapid change in value than would be the case if the

Funds maintained diversified portfolios among industry sectors, securities and types of securities and other instruments.

*No Control of Investment.* The Funds will generally hold a non-controlling interest in the Portfolio Companies and, therefore, will have a limited ability to protect their investments in the Portfolio Companies. It is unlikely that Glade Brook will be able to obtain any shareholder and supervisory rights in order to protect the Funds' interests in all circumstances. The Portfolio Company shares held by the Funds, directly or indirectly through investments in the Private Investment Funds, will be subject to voting rights restrictions that limit voting rights in certain material instances and new investors may not receive representation on the Portfolio Companies' boards.

*Illiquid Securities.* The assets of the Private Investment Funds and the Private Equity Funds will be invested in securities that are initially illiquid and will generally be restricted for the period from the private sale until the expiration of a waiting period following the issuer's initial public offering. If the issuer is unable to obtain an effective registration statement for such securities, the securities may remain restricted (subject to the availability of some other exemption) and Glade Brook may be unable to recover from the issuer an amount sufficient to compensate the Funds for the loss of liquidity of such security. Following the registration of such securities and a prescribed waiting period, Glade Brook will gain the ability to liquidate its position, but it may be required to hold such securities for a substantial period of time. Market prices for illiquid securities are often volatile and may not be ascertainable.

*Risks of Investing in Technology Companies.* The securities of technology companies can be volatile and the marketplace in which these companies operate is extremely competitive. Because the markets in which these companies operate are so competitive, there can be no assurance that technology and technology-related Portfolio Companies will be able to protect their market share as competitors develop technologies or interfaces that are substantially equivalent or superior to the Portfolio Companies' technologies.

In addition, technology and technology-related companies often invest greater than usual amounts in research and product development and the securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. Such investments could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence.

Further, many technology and technology-related companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that the Portfolio Companies will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the Portfolio Companies' technologies.

The markets in which the Portfolio Companies operate are also extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. There can be no assurance that the Portfolio

Companies will establish or maintain competitive advantages or successfully penetrate new markets.

*Cross Investment Series Liability.* Glade Brook does not intend that each Investment Series of the Special Opportunities Fund be considered a separate and distinct designated “series” for purposes of Section 18-215 of the Delaware Act. As such, Glade Brook intends that the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular Investment Series will be enforceable against the assets of the Special Opportunities Fund generally and/or any other Investment Series. Thus, for example, in the event that the assets attributable to one Investment Series participating in an investment opportunity were completely depleted by losses or liabilities, a creditor could enforce a claim against the assets of the Special Opportunities Fund which would be borne by the other Investment Series that did not participate in the investment or transaction.

Although each Series or Class of Interests will be maintained by the Private Investment Funds separately with separate accounting records and with the Capital Contributions (and investments made therewith) kept in segregated accounts, a Private Investment Fund as a whole, including any subsequently issued separate Interests in each respective Private Investment Fund, is one legal entity. Thus, all of the assets of a Private Investment Fund are available to meet all of the liabilities of such Private Investment Fund, regardless of the Series or Class to which such assets or liabilities are attributable. In practice, cross-Series or cross-Class liability will usually only arise where any Series or Class becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Private Investment Fund attributable to other Series or Classes may be applied to cover the liabilities of any insolvent Series. A liquidator of the Private Investment Fund, however, may not always comply with or enforce the segregation of assets attributable to each series or class of Interests.

*Differences Between Different Investment Series.* The performance of interests of a particular Investment Series of the Special Opportunities Fund may be inferior to the performance of interests of another Investment Series. Investors in any Investment Series of the Special Opportunities Fund will be entitled to share in the net gains of the underlying investments attributable to that Investment Series only.

### **Types of Securities and Material Risks**

*Equity Financial Instruments.* Although Glade Brook’s Funds generally invest in private companies, the Funds may invest in equities, equity-linked securities and equity derivatives from time to time. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if Glade Brook invests in equity instruments of issuers whose performance diverges from Glade Brook’s expectations or if equity markets generally move in a single direction and Glade Brook has not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible financial instruments or private placements, delivering marketable common stock upon conversions of convertible financial instruments and registering restricted financial instruments for public resale.

*Investments in Initial Public Offerings.* Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities.

*Unlisted Financial Instruments.* Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for listed securities. Companies whose securities are unlisted may not always report the same level of information as companies whose securities are listed.

*Leverage.* Glade Brook has used, and may in the future use, leverage to fund the operations of the Funds; however, such use may also increase the adverse impact to which the assets of the Funds may be subject. Borrowings will typically be secured by the Fund's securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures the Fund's obligations and if the Fund were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy the Fund's obligations to the lender. Liquidation in that manner could have extremely adverse consequences. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Glade Brook being forced to unwind the Fund's positions quickly and at prices below what Glade Brook deems to be fair value for such positions.

*Portfolio Funds.* Certain series of Funds may gain exposure to the shares of portfolio investments by investing in a private fund that was established by an unaffiliated third party to invest solely in the Shares (the "Portfolio Fund"). This structure presents certain unique risks to investors. Generally, Portfolio Funds incur certain fees and expenses in their day-to-day operations, including, but not limited to fees and expenses attributable to the operation of the Portfolio Fund for which the Fund would generally be responsible for its pro rata portion. The Fund is responsible for a tiered carried interest allocated to the manager of such Portfolio Fund and an administrative fee payable to the manager for expenses related to the ongoing operation of the Portfolio Fund. However, the Fund is not responsible for any management fees payable to the manager of such Portfolio Fund.

Glade Brook does not control the Portfolio Fund or the manager to the Portfolio Fund and will not control the timing of the disposal of the shares held by the Portfolio Fund or the distribution of any proceeds related thereto. A Fund's investment in a Portfolio Fund is illiquid and the Fund may not be able to ultimately liquidate such investment in a timely manner. In addition, there is a risk that the manager to the Portfolio Fund may knowingly, negligently or otherwise take such actions that amount to fraudulent or similar activities ("Fraudulent Activities"). Glade Brook's performance of its monitoring functions would generally not give Glade Brook the opportunity to discover such situations prior to the time the public disclosure of the presence or effects of any Fraudulent Activities. Accordingly, the Funds can offer no assurances that such manager will not engage in Fraudulent Activities and cannot guarantee

that it will have the opportunity or ability to protect the Funds from suffering a loss because of such Fraudulent Activities.

**IT IS CRITICAL THAT INVESTORS REFER TO THE RELEVANT OFFERING AND FUND GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF APPLICABLE RISKS. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENTS.**



## **ITEM 9 – DISCIPLINARY INFORMATION**

To the best of our knowledge, there are no legal or disciplinary events that are material to a client's or prospective client's or an Investor's or potential Investor's evaluation of Glade Brook's advisory business or the integrity of Glade Brook's management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Glade Brook nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Neither Glade Brook nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Glade Brook Private Management LLC serves as:

- the managing member of Private Investment Fund III.

GB Private Management LLC serves as:

- the general partner of Private Investment Fund XI and Strategic Growth Fund I; and
- the managing member of Private Equity Fund I, Private Investment Fund VI, Private Investment Fund VII, and Private Investment Fund IX.
- 

GBPM XIII GP LLC serves as:

- the general partner of Private Investment Fund XIII.

GBPM XIV GP LLC serves as:

- the general partner of Private Investment Fund XIV.

GBPM XV GP LLC serves as:

- the general partner of Private Investment Fund XV.

GBPM XVI GP LLC serves as:

- the general partner of Private Investment Fund XVI.

GBPM XVII GP LLC serves as:

- the general partner of Private Investment Fund XVII.

GBPM XVIII GP LLC serves as:

- the general partner of Private Investment Fund XVIII.

GBPM XIX GP LLC serves as:

- the general partner of Private Investment Fund XIX.

GBPM XX GP LLC serves as:

- the general partner of Private Investment Fund XX.

GBPM XXI GP LLC serves as:

- the general partner of Private Investment Fund XXI.

GBPM XXII GP LLC serves as:

- the general partner of Private Investment Fund XXII.

GBPM XXIII GP LLC serves as:

- the general partner of Private Investment Fund XXIII.

GBPM XXIV GP LLC serves as:

- the general partner of Private Investment Fund XXIV.

GBPM XXV GP LLC serves as:

- the general partner of Private Investment Fund XXV.

GBPM XXVI GP LLC serves as:

- the general partner of Private Investment Fund XXVI.

GBPM SG II GP LLC serves as:

- the general partner of the Strategic Growth Fund II and the Private Equity Fund III Feeder.

Glade Brook Capital Management LLC serves as:

- the managing member of the Special Opportunities Fund.

Glade Brook and the Funds generally have the authority to create new classes or series of shares or interests. Glade Brook has entered into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more Investors in the Funds. The Side Letters may provide such Investors in such Funds with additional and/or different rights (including, without limitation, participation in certain investments due to regulatory or other reasons, currency denomination, access to information, fees, minimum investment amounts, and liquidity terms) than other Investors in the Funds. In general, Glade Brook and the Funds will not be required to notify

any or all of the other Investors in the respective Funds of any such Side Letters or any of the rights and/or terms or provisions thereof; and Glade Brook and the Funds will not be required to offer such additional and/or different rights and/or terms to any or all of the other Investors in the Funds.

Employees of Glade Brook currently serve, and may in the future serve, on the board of directors of Portfolio Companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the applicable Fund, Glade Brook expects that the interests will be aligned. It is Glade Brook's policy that none of Glade Brook's principals or employees will benefit from any compensation paid by a Portfolio Company to such persons for serving as directors of the Portfolio Company. Any such compensation will be remitted to Glade Brook and will offset the Management Fee attributable to any Fund having an interest in the Portfolio Company. In the event that multiple Funds hold an interest in the Portfolio Company, such offset will be applied pro rata based on each Fund's interest in the Portfolio Company in accordance with the Fund's offering and governing documents.

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

Glade Brook's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Glade Brook's "Access Persons." Access Persons include, generally, any employee or other supervised person of Glade Brook who, in relation to Glade Brook's 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 Glade Brook employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Glade Brook's status as a fiduciary and requires Access Persons to place the interests of the advisory clients and Investors above their own interests and the interests of Glade Brook. 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 Glade Brook's Chief Compliance Officer, Frederic Purse (the "Chief Compliance Officer" or his designee). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt and understanding 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. 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.

The Code also seeks to ensure the protection of non-public information about the activities of the Advisory Clients. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at [Ops@gladebrookcapital.com](mailto:Ops@gladebrookcapital.com).

Glade Brook, as investment manager, and the Managing Member can be said to recommend interests in the Funds to prospective Investors. Glade Brook and the Managing Member / General Partner have a material financial interest with respect to fees paid by Investors. The Incentive Amount described in Item 5 – Fees and Compensation, above, may create an incentive for Glade Brook to make investments that are riskier or more speculative than in the absence of such compensation.

The Managing Member / General Partner has an interest in the Funds. Glade Brook's principals and employees have also invested directly in the Funds. It should be noted that investments in the Funds made by such parties are not subject to the Management Fee or Incentive Amount described in Item 5 – Fees and Compensation above.

The fact that the Managing Member and Glade Brook's principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause Glade Brook to make different investment decisions than if such parties did not have such financial

ownership interests. Glade Brook addresses this potential conflict by impressing upon Access Persons their fiduciary duty to act in the best interests of advisory clients and Investors and by requiring Access Persons to submit securities holdings and transaction reports in accordance with Rule 204A-1. Further, Glade Brook requires pre-clearance from the Chief Compliance Officer, or his designee, for all trading in Personal Accounts, with the exception of mutual funds, ETFs, money market funds, United States treasuries, and cash equivalents. Pre-clearance decisions are based on a number of factors, including whether the Funds hold or may hold a given security. In addition, Glade Brook receives Quarterly Transaction Reports and Initial and Annual Holdings Reports from all Access Persons, which are reviewed by the Chief Compliance Officer, or his designee, to ensure that each person is conducting his or her personal securities transactions in a manner consistent with the Code.

## ITEM 12 – BROKERAGE PRACTICES

As a general matter, Glade Brook transacts in private investments that are not executed on an exchange. On occasion, Glade Brook may purchase or sell exchange-traded securities on behalf of the Funds. In such instances, Glade Brook is subject to a duty to obtain “best execution.” Consistent with such duty, in determining best execution, Glade Brook takes into account the full range and quality of a broker-dealer’s services, including research and other services. Glade Brook does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best qualitative execution.

Consistent with such policy, consideration is given to a variety of factors, including but not limited to the following:

- Commission rates
- Reliability
- Financial responsibility
- Strength of the broker and the ability of the broker to efficiently execute transactions
- The broker’s facilities
- The broker’s provision or payment of the costs of brokerage and research services that are of benefit to Glade Brook or its clients or affiliates

Glade Brook may consider a broker-dealer’s ability to provide Glade Brook with the opportunity to participate in capital introduction events sponsored by the broker-dealer and to refer Investors to the Funds. It should be emphasized that Glade Brook does not select broker-dealers solely in return for referrals. Glade Brook recognizes that it may have an incentive to favor broker-dealers that provide capital introduction services to Glade Brook or refer Investors. Glade Brook receives asset-based fees and accordingly would receive a financial benefit from the increase in assets under management that result from capital introduction services and Investor referrals. Similarly, Glade Brook’s affiliates receive a performance-based allocation and accordingly could receive a larger performance-based allocation in any given profit period as a result of an increase in assets under management that results from capital introduction services and Investor referrals. The potential for higher fees presents a potential conflict in that Glade Brook has an incentive to favor broker-dealers that provide services that have a direct impact on fees even if those broker-dealers rate unfavorably in other categories.

While Glade Brook’s primary consideration in allocating portfolio transactions to broker-dealers is to obtain favorable prices and efficient executions, Glade Brook does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations.

Glade Brook does not anticipate using soft dollars at this time. To the extent Glade Brook enters into a soft dollar arrangement, it will ensure that any research or other products or services paid for with soft dollars fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934.

In the event that Glade Brook uses soft dollars to obtain research or other products or services from broker-dealers, it will receive a benefit because it does not have to produce or pay for the research, products or services. Glade Brook also has the authority to cause the Funds to pay brokers directly for research.

Further, Glade Brook may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving most favorable execution.

Such soft dollar benefits may be used to service all of Glade Brook's clients and not just those that paid for the benefits. It is anticipated that any soft dollar benefits received by Glade Brook will be applicable to all of Glade Brook's clients.

Glade Brook recognizes that, as a fiduciary, it has a duty to seek to allocate investment opportunities among the Funds in a fair and equitable manner. Glade Brook has adopted policies and procedures regarding the allocation of investment opportunities. When an investment opportunity is identified, Glade Brook first determines the allocation of the opportunity across participating Funds. Should excess capacity remain, priority co-investment access is generally provided to investors of the participating Funds, as applicable, and is primarily based on the investor's underlying commitment to the participating Funds.

At this time, Glade Brook does not have directed brokerage arrangements.



### **ITEM 13 – REVIEW OF ACCOUNTS**

The investment portfolios of the Funds are under constant review by Glade Brook's investment personnel. Such reviews include a review of adherence to the investment guidelines, strategies, target capacity and risk. Any proposed deviations from the Funds' investment guidelines or strategies will be discussed with the Chief Compliance Officer to determine if consent of the Funds and/or Investors is necessary.

Investors in the Funds generally receive unaudited quarterly account statements, annual audited financial statements and Schedule K-1 and the annual privacy policy.

## **ITEM 14 – CLIENT REFERRALS AND COMPENSATION**

Glade Brook does not receive economic benefits from third parties in connection with the management of the Funds.

From time to time, Glade Brook uses placement agents or solicitors who refer Investors or clients to Glade Brook, in exchange for a portion of the advisory fee charged to that Investor or client.

## **ITEM 15 – CUSTODY**

Glade Brook is deemed to have custody of Fund assets pursuant to Advisers Act Rule 206(4)-2 (the “Custody Rule”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception,” which, among other things, requires that such Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that such Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. Investors should carefully review such audited financial statements.

## **ITEM 16 – INVESTMENT DISCRETION**

Glade Brook has discretionary authority to manage the Funds pursuant to investment management agreements between Glade Brook and the Funds. Each Fund's investment strategy is set forth in detail in the Fund's offering documents. Any limitations on Glade Brook's discretionary authority are described in each Fund's offering documents. Investors in the Funds must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, Investors in each Fund must execute a limited partnership agreement or limited liability company agreement that contains a power of attorney.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Glade Brook understands and appreciates the importance of proxy voting. Based on the Funds' investment strategies, Glade Brook does not anticipate that it will need to vote proxies on behalf of the Funds often, although there may be instances where Glade Brook invests in exchange-traded securities and may be required to vote proxies. Glade Brook has developed policies and procedures in the event that it must vote proxies on behalf of the Funds.

Glade Brook will vote any proxies received in the best interests of the Funds and in accordance with any procedures described to Investors. Prior to voting any proxies with respect to the Funds, Glade Brook will review the applicable proxy solicitation materials for potential conflicts of interest. If a conflict is identified, Glade Brook will determine whether the conflict is material. If no material conflict is identified pursuant to these procedures, Glade Brook will vote such proxy in accordance with the best interests of the Funds.

If a material conflict is identified, Glade Brook will consider the conflict and determine what course of action is in the best interests of the Fund. Further, Glade Brook will determine (in its sole discretion) whether it is appropriate to disclose the conflict to Investors.

Investors may obtain additional information regarding how Glade Brook voted proxies and may obtain a copy of Glade Brook's proxy voting policies and procedures by contacting the Chief Compliance Officer at [Ops@gladebrookcapital.com](mailto:Ops@gladebrookcapital.com).

## **ITEM 18 – FINANCIAL INFORMATION**

N/A. Glade Brook is not required to include a balance sheet for its most recent fiscal year, and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to advisory clients. In addition, Glade Brook has not been the subject of a bankruptcy petition at any time during the past ten years.