

Item 1 Cover Page

**Milestone Partners Management Co., L.P.
doing business as Milestone Partners
Part 2A of Form ADV
The Brochure**

555 East Lancaster Avenue, Suite 500, Radnor, PA 19087
www.milestonepartners.com

March 31, 2021

This brochure provides information about the qualifications and business practices of Milestone Partners Management Co., L.P., d/b/a Milestone Partners. If you have any questions about the contents of this brochure, please contact us at 610-526-2700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Milestone Partners is also available on the SEC's website at: www.adviserinfo.sec.gov.

We refer to ourselves as a "registered investment adviser". Registration does not imply a certain level of skill or training.

Item 2 Material Changes

This Item 2 of the Brochure discusses only specific material changes that have been made to the Brochure since our last annual update and provides clients with a summary of those changes. The last annual update of our Brochure was on March 30, 2020.

Date of Brochure: March 31, 2021

Most recent Annual Updating Amendment: March 30, 2020

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure can be requested by contacting the Chief Compliance Officer at (610) 526-2700.

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Item 4 Advisory Business

Milestone Partners is an investment manager of private investment funds specifically focused on lower middle market buyouts. Founded in 1995, Milestone Partners is based in the greater Philadelphia area. The principal owners of Milestone Partners are W. Scott Warren and John P. Shoemaker.

Milestone Partners provides discretionary investment advice solely to private investment funds that seek to generate significant capital appreciation primarily through private equity investments in portfolio companies that are generally in established industries. The investment management services that we provide to our funds primarily consist of investigating, structuring and negotiating investments and dispositions, monitoring the performance of investments and performing certain administrative services. These services are provided pursuant to investment management agreements with our funds and as a result of a delegation of authority by the general partner of each fund (each general partner is an affiliate of ours). We provide tailored advice to each fund that takes into account its investment objectives and the investment restrictions contained in its limited partnership agreement. Please see Item 8 for more information on our investment strategies.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Under Management

As of December 31, 2020, Milestone Partners managed approximately \$579 million of client assets on a discretionary basis. Such figure includes capital that can be called by our funds from their limited partners. Milestone Partners does not manage client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Management Fee

Milestone Partners receives an annual management fee (the “Management Fee”) from each fund with respect to each investor that varies from fund to fund but is generally 2.00% of each investor’s commitment during the fund’s investment period or for a specific period of years. After the investment period or a specific period of years, the fund pays a Management Fee based on each Investor’s pro rata share of a fund’s invested capital, which generally equals the declining balance of the acquisition cost of the portfolio investments held by the fund, taking into account any permanent impairments of portfolio investments. Milestone Partners can waive all or a portion of its Management Fee. Management Fees are payable quarterly in advance and are deducted from the account of each fund.

Other Fees

We can also receive (and have in the past) monitoring, transaction, advisory consulting, directors and other fees in connection with the activities of our funds (“Other Fees”). In addition, we are reimbursed by our funds’ portfolio companies for expenses we incur in connection with our performance of the services that give rise to Other Fees. The monitoring fees that we receive with respect to a portfolio investment are sometimes determined with reference to the adjusted EBITDA and revenues upon which the purchase price for such portfolio investment is based. The transaction fees that we receive with respect to a portfolio investment are sometimes determined with reference to the enterprise value of the portfolio investment at the time of acquisition or disposition. Both monitoring fees, transaction and advisory fees are agreed to with the applicable portfolio companies at the closing of the funds’ investments in such portfolio companies.

Milestone Partners does employ and has employed operating partners. These operating partners are compensated directly either from the management company or the portfolio company but not directly from the Funds.

In general, the aggregate Management Fee that a fund pays us is reduced by a portion of any Other Fees received by us in connection with the activities of the fund.

If we cease to serve as the investment manager of a fund, the Management Fee payable by the fund for such period will be pro-rated based on the number of days during such period that we served as investment manager and we will refund any excess.

Additional fees and expenses for which a fund is responsible are described in the limited partnership agreement of such fund. Generally, each fund pays all costs and expenses relating to its operations, including but not limited to: legal, auditing, consulting and accounting fees and expenses; expenses of meetings of its limited partner advisory committee and of limited partners; indemnification and insurance expenses; expenses associated with the acquisition, holding and disposition of its proposed or actual investments (including related due diligence other than travel-related due diligence expenses of our personnel); extraordinary expenses such as litigation; interest on and fees and expenses arising out of any permitted borrowing; expenses relating to unconsummated transactions; expenses of liquidating the fund; and any taxes, fees or other governmental charges levied against the fund and any expenses incurred in connection with any tax, audit, investigation, settlement or review of the fund. Expenses associated with the acquisition, holding and disposition of an investment include the expenses of brokers or dealers to the extent that any such person is engaged in connection with a transaction. See Item 12 - Brokerage Practices. Such expenses include commissions, custodian fees, rating agency fees and other transaction expenses.

Neither we nor any of our “supervised persons” accepts compensation for the sale of securities or other investment products.

Please see Item 11 for discussion on conflicts of interests associated with fees.

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

The general partner of each fund (in each case the general partner is our affiliate) is generally entitled to a “carried interest” on the fund’s profits in accordance with the provisions of the fund’s limited partnership agreement. The “carried interest” is generally equal to a percentage of the investment proceeds distributable by the fund in excess of the capital invested by the fund’s limited partners and their allocable share of fees and expenses, and is subject to a minimum preferred return to the limited partners. The general partner of each fund is subject to a “clawback” of “carried interest” previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable or anticipated to be distributed to the general partner by each fund as “carried interest”, applied on an aggregate basis covering all transactions of the applicable fund. In no event will the general partner of a fund be required to restore more than the cumulative distributions received by such general partner as “carried interest” determined on an after-tax basis. The “carried interest” received by the general partner of a fund is negotiated at the time such fund is formed.

Because a portion of compensation to us is based on profits generated by the disposition of each fund’s assets, we are said to have an incentive to make investments on behalf of a fund that are riskier or more speculative than would be the case absent such compensation. Further, if and where funds differ in their calculation and/or likelihood of generating such compensation, we have an incentive to favor one fund over another. However, we manage each fund in accordance with our governing documents and we have policies and procedures that address investment allocations and the mitigation of conflicts of interest.

Please see Item 11 for additional discussion on conflicts of interest associated with fees.

Item 7 Types of Clients

We provide discretionary investment advice solely to private investment funds. Investors in the funds typically include retirement plans, foundations, endowments, funds of funds, family offices, and high-net-worth individuals.

Milestone Partners generally requires a minimum account of \$1,000,000 or more to invest in the funds. The general partner of the fund, in its sole discretion, can make and has made exceptions to the required minimum.

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

Investment Strategies and Methods of Analysis

We generally seek investment opportunities for our fund clients where we can play a role in enhancing the target company’s value through two complementary strategies. First, we seek to identify a compelling value proposition within an established industry and then assemble a knowledgeable management team led by a CEO to build the business around that value

proposition. Second, we seek growth for portfolio companies through evaluating and executing strategic acquisitions, as well as supporting the implementation of value-added strategies, such as internal capital investment, geographic expansion, product line extension and management team enhancement.

We generally source investment opportunities consistent with these strategies through our differentiated origination networks, including the relationships of our investment professionals and our strategic alliances with third parties who assist us in sourcing portfolio investments. We believe that such networks allow us often to source investments on a proprietary basis.

We generally seek to identify investments that we believe are at appropriate valuations, are in quality established businesses, have a knowable and sustainable value proposition, are leaders in their markets and for which there exists a vision for achieving growth and value accretion. Furthermore, we seek investments opportunities for which exit alternatives are expected to exist for the realization of value created. We primarily focus on investments in North America.

In screening potential investment opportunities, we seek to implement due diligence processes that are aimed at assessing and quantifying the opportunities for, and challenges to, value creation by such potential portfolio companies. Such processes typically involve research of a prospective portfolio company's markets served, competitive position, capabilities, customer relationships, environment, and potential for future growth and ultimate realization of value, but vary depending on the facts and circumstances relating to the particular investment opportunity, including the type of information available. Our efforts are typically augmented by outside industry advisors, accountants, lawyers and other relevant experts that we determine are necessary.

In executing investments, we seek to invest at attractive valuation levels, maintain price discipline and differentiate between market overreactions or cyclical valuation peaks and long-term sustainable valuations. In particular, we seek to implement capital structures that support value-creation strategies and future growth, with a preference for entirely private capital structures and avoiding excessive leverage. We also work closely with management of our portfolio companies to assess whether a strategic acquisition, internal capital investment, geographic expansion or product line extension provide a clear strategy for creating long-term value.

Post-investment, we monitor portfolio companies closely, regularly speaking with management and reviewing performance reports. Furthermore, our personnel often can and do serve on the boards of directors of our funds' portfolio companies. This regular contact is intended to enable us to assess opportunities for portfolio company growth, identify the optimal realization point and find suitable exits.

Risk Factors

Investors in our funds should be prepared to bear the risk of loss inherently involved in our funds, including to principal. The discussion below of risks associated with investment in our funds does not purport to be an exhaustive list of all such risks. Please see the confidential offering memoranda of our funds for a more detailed discussion of risks.

Risk of Loss of Capital. Investing in securities involves the risk of loss of capital. Investors that cannot bear the loss of their entire investment in one of our private investment funds should not make such an investment. While we believe that our investment processes, strategy and research techniques mitigate the investment risk through a careful selection and monitoring of investments, no guarantee or representation is made that we will achieve a fund's investment objectives or that we will be successful.

Market Volatility. Volatile market conditions can occur and can have a dramatic effect on the value of private investments. Terrorist attacks; other acts of violence or war; health-related outbreaks, epidemics and/or pandemics; natural hazards; and/or force majeure, among other events and conditions can affect the operations and profitability of a fund's portfolio companies and the fund's ability to harvest its investments in those companies. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy(ies). Any of these occurrences, and any combination, could have a significant impact on the operating results and revenues of a fund's portfolio companies and, in turn, on the return of a fund's investments.

Leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Our funds' investments can be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates can have a more pronounced effect on the profitability or survival of such companies. If for any of these reasons a portfolio company in which a fund invests is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the investment in such portfolio company could be significantly reduced or even eliminated.

Illiquid and Long-Term Investments; Lack of Transferability. Although our funds' investments sometimes generate current income, the return of capital and the realization of related gains are our fund's primary goals. The return of capital and the realization of gains, if any, from such investments is expected to occur upon their disposition. Such investments are typically held for a number of years before they are sold, making value on disposition inherently more difficult to predict. Furthermore, our funds' investments are inherently illiquid, it is unlikely that there will be a public market for such investments and their securities generally more likely than not will not be sold publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the sale of such investments could be prohibited or limited by contract for a period of time, and as a result, we would not be permitted to sell such investments at a time we would otherwise desire to do so. Similarly, investors' investments in our funds are also inherently illiquid, with no public market for such fund interests and severe restrictions on transferability of fund interests in general; generally fund commitments cannot be withdrawn and investments in our funds cannot be redeemed.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that we will be able to identify and complete investments that satisfy our funds' investment objective, or realize the value of their portfolio

investments, or that we will be able to fully invest their commitments. Nevertheless, our clients will be required to pay our management fees based on aggregate commitments during the fund's investment period.

Portfolio Company Management Risks. It is common for the portfolio companies in which our funds invest to rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While we monitor each portfolio company's management team, each such team will ultimately have day-to-day responsibility for the business of such portfolio company.

Concentration of Investments. Each fund generally invests in a limited number of portfolio companies and, as a result, its returns are affected by the performance of a single investment. Furthermore, because we have broad discretion to invest a considerable portion of a fund's assets in a single investment, and all of the fund's assets in a particular industry, adverse movements in the value of a single investment or the health of a particular industry could have a considerably greater negative impact on such fund than would be the case if we were not permitted to concentrate investments to such an extent.

Control Position. The exercise of control over portfolio companies exposes our funds to additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability that generally characterizes business operations may be ignored. While we intend to manage our funds so as to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Board Participation. Our funds are represented on the boards of directors of certain of their portfolio investments. Although such positions likely are important to our investment strategy and enhance our ability to manage the investment, they could also impair our ability to sell the investment when, and upon the terms, we would otherwise want. It could also subject us and our funds to claims we would not otherwise be subject to, including claims of breach of duty of loyalty, securities claims and other director-related claims.

Non-U.S. Investments. Although most of our funds' investments are in North America, our funds can invest globally and many of our fund's portfolio companies have foreign subsidiaries and/or rely on foreign commercial relationships. Foreign securities and business operations involve risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, (ii) differences between the U.S. and foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Furthermore, the legal systems in these countries may offer no effective means for our funds to seek to enforce their rights or otherwise seek legal redress.

Item 9 Disciplinary Information

None.

Item 10 Other Financial Industry Activities and Affiliations

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

We are also not registered, nor do we have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Milestone Partners is under common control with PeakEquity Partners. Milestone Partners and PeakEquity Partners share the same principal office and some employees Milestone Partners employees provide services to PeakEquity Partners under a cost sharing arrangement between the firms. PeakEquity Partners is also an investment adviser to private funds.

Milestone Partners is subject to various conflicts of interest arising from its relationship with PeakEquity Partners and its affiliates. Milestone Partners can on occasion invest and has invested in a portfolio company of a PeakEquity Partners fund or co-invest with a PeakEquity Partners fund. Such transactions are generally subject to requirements agreed to by the investors and set out in the applicable limited partnership agreements, which in certain circumstances include a requirement to obtain the consent of the limited partner advisory committee (“LPAC”) of the applicable funds. Additional information regarding how Milestone Partners addresses conflicts of interest is provided in Item 11 below.

As referenced elsewhere in the Brochure, and as is common in the private equity fund structures, employees (and now former employees) of Milestone Partners comprise the general partners of the funds. Each fund has a general partner or managing member. The specific names of each are listed in Form ADV Part 1A, Schedule D, Item 7. Similarly, the general partners/ managing members of the funds advised by PeakEquity Partners are affiliates, as a result of the common employment, ownership, and membership; and those as appropriate are also listed in Form ADV Part 1A, Schedule D, Item 7.

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

Code of Ethics.

Our code of ethics is documented in our Policies and Procedures Manual (“Manual”), a copy of which (and any amendments) is provided to each employee. Each employee must certify that he or she has read, understands and agrees to comply with our Manual. Furthermore, each employee must certify annually that he or she has complied with the Manual. We also hold annual compliance training sessions and attendance at such sessions is mandatory for all employees.

Our Manual requires all of our employees to conduct themselves with integrity and act in a professional and ethical manner in all dealings on our behalf; act with competence and strive to

maintain and improve their competence; use proper care and exercise independent professional judgment in the execution of their duties; avoid actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of Milestone Partners and our clients; and comply with all applicable federal securities laws.

Our Manual also requires all our employees (“Access Persons”) to disclose each account in which they have a beneficial interest and the capability to hold or trade individual securities. These accounts are linked to our compliance software which allows us to monitor their personal trading from pre-clearance authorization of trade requests through post-trade reconciliation and reporting. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually.

Our Manual also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of our Code of Ethics will be provided to any client or prospective client upon request.

Conflicts of Interests.

Participation or Interest in Client Transactions. As described in Items 5 and 6 above, we are generally entitled to receive Management Fees and a carried interest from our funds. The general partner of each of our funds also makes a capital commitment to such fund. Furthermore, we and our members and employees receive fees from our funds’ portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies. Each of the foregoing represents a financial interest in the securities that we recommend to our client accounts.

As described in Item 5 above, the Management Fees that we receive from our funds after their investment periods are based on their “invested capital.” To the extent that the investments on an aggregate basis are written down to below cost, for purposes of calculating our management fee, the invested capital in such investments would be reduced by the amount that the investments have been written down and would result in us receiving a reduced management fee. The foregoing, which could incentivize us to refrain from writing down investments, is mitigated by the fact that, annually, our valuations are reviewed by our funds’ independent public auditors.

Our entitlement to performance fees from our funds is said to incentivize us to cause our funds to make more speculative investments than would be the case in the absence of such performance fee arrangement. However, the significant capital commitments made by Milestone Partners and other investment professionals through the general partner of each fund (which capital commitments are invested pro rata with the commitments of each fund’s limited partners), as well as each such general partner’s “clawback obligation” (as described in Item 6), mitigates the effects of such conflict of interest.

Our ability to receive fees (and related expense reimbursements) from our funds’ portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies represents a potential conflict of interest since we generally have

substantial control or influence over such companies. This potential conflict of interest is mitigated by the fact that the amount of such fees are typically negotiated with the applicable portfolio company's management team and/or any roll-over equity holders and co-investors, as well as the fact that all such fees are disclosed to our funds' investors and a portion of such fees generally offset management fees otherwise payable by our funds (as described in Item 5 above). When Milestone personnel serve as portfolio company board members, they are required to make decisions that consider the best interests of such portfolio company and its shareholders. Conflicts of interest could present themselves between an individual's role at our firm and his or her role as a board director of the portfolio company. However, we believe the interests of the portfolio companies and the shareholders are generally aligned with the best interests of the funds.

Allocation of Investment Opportunities. Milestone Partners and PeakEquity Partners are both pursuing new investment opportunities for funds they each manage; the typical investment mandates of the Milestone Partners and PeakEquity Partners funds differ but have similarities. PeakEquity Partners seeks to invest in control buyouts and minority recapitalizations of intellectual property-driven, lower middle-market enterprise software and solutions ("Enterprise Software and Solutions") businesses. Milestone Partners seeks to invest in a broader range of lower middle-market business, which also includes Enterprise Software and Solutions businesses. The funds' limited partnership agreements set forth terms with respect to the allocation of investment opportunities and generally provide that, from the date of closing of a fund until the expiration of its investment period, all prospective investment opportunities (other than follow-on investments related to a predecessor fund) that we identify, are within the scope of the fund's investment objectives and are not in excess of a threshold amount specified in the fund's limited partnership agreement, will be made available to that fund before being offered to any other person. Notwithstanding the foregoing, in the event an Enterprise Software and Solutions investment opportunity arises that is appropriate for both Milestone Partners and PeakEquity Partners funds, we will allocate such investment opportunity among the Milestone Partners and PeakEquity Partners funds on a basis that we believe is fair and equitable and with the approval of the applicable funds' LPAC. PeakEquity Partners will lead pursuit of Enterprise Software and Solutions opportunities, and it is anticipated that Milestone Partners in certain circumstances will occasionally co-invest alongside of PeakEquity Partners. Notwithstanding the foregoing, subject to a negotiated cap, we do reserve the right to allocate investment opportunities to certain individuals (including certain employees) who provide services to, or have a relationship with, our funds or, who in our judgment, can add value to our funds' activities by virtue of their association with our funds.

Principal Transactions. We do not anticipate entering into principal transactions where we or any of our affiliates purchases or sells any securities for our own proprietary accounts from or to the account of any client fund. In the event that we or any of our affiliates do engage in a principal transaction, we will seek the approval of the applicable fund's LPAC in accordance with the terms of such fund's limited partnership agreement and such transaction will be undertaken only in compliance with Section 206(3) under the Investment Advisers Act of 1940, as amended.

Cross Transactions. Neither we nor any of our affiliates is registered as a broker-dealer. In the event that we cause funds to enter into any cross transaction, we will seek the approval of the

applicable funds' limited partner advisory committees in accordance with the terms of such funds' limited partnership agreements.

Item 12 Brokerage Practices

We do not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the funds because the securities that we typically purchase or sell on behalf of our funds are acquired and/or disposed of in privately negotiated purchase and sale transactions. At such time if any as we engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any. We will negotiate the commission rates and other transaction costs relating to broker services.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with client transactions.

If we dispose of any investment in public securities that is owned by more than one fund, we would sell the securities in an aggregated order, in which case, the aggregated order will be allocated among the funds on a pro rata basis, unless in our good faith judgment a different allocation method is more appropriate under the circumstances. Such a pro rata allocation will be adjusted for and take into account to the extent applicable, specific guidelines, objectives and restrictions of each fund's account, the total amount of funds under management (including drawn and undrawn commitments) and the availability of or need for cash. A pro rata allocation should result in each client receiving the average price.

Item 13 Review of Accounts

Milestone Partners' senior professionals generally meet weekly to evaluate both current and prospective investments. Milestone Partners monitors and reviews the performance of each portfolio company investment and typically distributes reports to Milestone Partners' senior professionals. Milestone Partners' senior professionals monitor all cash inflows and outflows from Milestone Partners' funds.

Milestone Partners holds annual meetings at which Milestone Partners' senior professionals provide investors in the funds with comprehensive reviews of the performance of the funds and portfolio companies. Additionally, at least quarterly, Milestone Partners' investment professionals prepare a review of each fund's investments for distribution to investors. In addition, the financial statements of the funds are distributed quarterly and audited annually.

Milestone Partners will review a client account on other than a periodic basis upon the occurrence of material events that, based on the reasonable business judgment of the responsible senior professional, require consideration by the Investment Committee or the senior deal team before the next scheduled meeting of the Investment Committee.

In summary, Milestone Partners provides such reports (and at such frequency) as will be required by the applicable limited partnership agreements for each fund. Each quarter Milestone Partners issues an unaudited quarterly report which typically includes the following: a summary of portfolio holdings; contributions; distributions; unaudited financial statements, including a balance sheet, statement of changes in Investors' capital, and statement of operations; and a description of some or all of the fund's portfolio companies, which generally includes updates on the financial performance of the companies and relevant news. Investors receive audited financial statements within 120 days (or fewer) of the end of each fiscal year. Milestone Partners or its affiliates can by agreement provide additional information or reports to certain investors.

Each fund has a LPAC that shall serve as the advisory committee for the fund and shall make decisions and recommendations with respect to the fund, to the extent provided by the limited partnership agreement.

Item 14 Client Referrals and Other Compensation

Milestone Partners has used placement agents in connection with certain of its fund offerings and will likely do so for future funds.

Each placement agent has been and would be a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, retained by Milestone Partners as placement agent to certain prospective investors. Generally, the placement agent receives a cash placement fee with respect to the investors it solicits and that actually invest. Such placement fees when paid by the fund reduce management fees payable to Milestone Partners.

Various potential and actual conflicts of interest exist or can arise from the placement agent's business activities and relationships with its clients, investors whom it solicits for funds and portfolio companies of the funds or other funds not affiliated with Milestone Partners. Placement agents have provided, and will likely continue to provide, a number of services to Milestone Partners, certain of the funds, and certain portfolio companies, have a number of relationships with Milestone Partners, the funds, and may have various relationships with potential portfolio companies. Placement agents are incentivized through compensation arrangement to place investors in funds. Such conflicts are mitigated through disclosures to potential investors, including with disclosures on compensation arrangements.

Item 15 Custody

Pursuant to applicable regulation, Milestone Partners is considered to have custody of its funds' cash and securities. Milestone Partners maintains the funds' cash and certain of its certificated securities with independent qualified custodians. Milestone Partners arranges for each fund's financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules. Milestone Partners makes those audited financial statements available to all Investors in the fund within 120 days (or fewer) of the end of the fund's fiscal year.

Additionally, upon liquidation of a fund, when that occurs, Milestone Partners will distribute its audited financial statements prepared in accordance with GAAP to all investors in the fund promptly after the completion of such audit. As stated in Item 13, investors also receive unaudited reports from Milestone Partners and other communications. Investors should review and compare all statements provided to them.

Item 16 Investment Discretion

We have entered into an investment management agreement with each fund. Each such agreement, together with the management authority granted to each fund's general partner pursuant to the funds' limited partnership agreements, provides us with full discretion to determine investments to be purchased and sold on behalf of the fund and the terms of the related transactions. Limitations on our investment discretion are set forth in the investment management agreements with, and the limited partnership agreements of, our funds.

Item 17 Voting Client Securities

Due to the nature of the Milestone Partners' investment programs and the types of investments recommended or made on behalf of its clients, Milestone Partners would rarely, if ever, be requested to vote the proxies of traditional operating companies. Nonetheless, we have adopted proxy voting policies and procedures designed to ensure that proxies and any conflicts of interest are addressed appropriately. The general policy is to recommend voting proxy proposals and to vote proxy proposals, as well as any amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of client accounts, as determined by Milestone Partners in its discretion, taking into account various factors, including, without limitation, the impact on the value of the securities. Milestone Partners in its discretion can choose to not vote certain proxies where there is no identifiable impact or benefit to the fund to vote. In any situation where Milestone Partners perceives a conflict of interest, Milestone Partners will review the situation and take appropriate action. Clients and investors in the funds can request a copy of the proxy voting policies and procedures and the proxy voting record by contacting the Chief Compliance Officer; please see contact information on the Cover Page of this Brochure.

Item 18 Financial Information

Milestone Partners has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.