

Part 2A FIRM BROCHURE

Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of Harris Preston & Partners, LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 512-505-4111. 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.

The Adviser is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Harris Preston & Partners, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This is the annual update to our brochure. Since our last annual update dated March 30, 2020, this brochure includes updated information and you should read it in its entirety. We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

A copy may also be downloaded from the SEC website at www.adviserinfo.sec.gov

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Item 4 - Advisory Business

A. Principal Owners and Background

Harris Preston & Partners, LLC (the “Adviser”) was founded in 2006 by affiliates of our principal owners Charles M. Preston, III and Ron R. Harris (the “Principal Owners”). Our primary business is managing private equity funds of funds (“Funds of Funds”) and single investment partnerships investing directly in the securities of operating companies or holding companies (“Co-Investment Funds”). We also manage some investment partnerships (“Non-Program Funds”) that are not part of the Program described below. We refer to the Funds of Funds and the Co-Investment Funds that we manage as the “Funds;” we refer to the Funds and the Non-Program Funds as our “Clients;” and we refer to the limited partners in our Funds as “Investors.”

Our current investment program (the “Program”) consists of (1) Funds of Funds that invest in private equity funds (“Sponsor Funds”) managed by established private equity investment firms and professionals (“Sponsor Firms”); and (2) “Co-Investment Funds,” each of which allow the limited partners in our Funds of Funds, and select strategic investors, the opportunity to indirectly participate in investments in a single investment generally alongside one of the Sponsor Funds. For more information about the investment strategies of the Program, please see *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* below.

Charles M. Preston, III. Mr. Preston co-founded the Adviser with Ron R. Harris in 2006 and has been Managing Director of the Adviser since that time. From 1997 to 1999, Mr. Preston was a Portfolio Manager in the Private Markets Group at The University of Texas Investment Management Company (“UTIMCO”), where he was primarily responsible for the commitment by UTIMCO-managed funds to various private equity partnerships. Mr. Preston also founded and owns 220 Partners, LLC, which was a predecessor to the Adviser and previously managed an investment program similar to the Program.

Prior to entering the private equity industry, Mr. Preston was a corporate finance and securities attorney with Vinson & Elkins LLP. He holds a law degree from Southern Methodist University and a Bachelor’s degree in both Economics and Business Administration from The University of Texas at Austin.

Mr. Preston currently serves on the board of directors of Longhorn Leads, LLC and Expertise, LLC, both investments of Non-Program Funds. Mr. Preston also serves on the Board of Trustees of Mustard Seed Partners, a Preston family charity.

Ron R. Harris. Mr. Harris co-founded the Adviser with Mr. Preston in 2006 and has been a Managing Director of the Adviser since that time. In 2004, Mr. Harris founded Southwest Capital Partners, a private equity group focusing on early to mid-stage venture financing, corporate buyouts, and growth capital, where he served as Managing Director from 2004 to 2006. In 1994, Mr. Harris led the effort to create Pervasive Software, Inc., for which he served as President and CEO from its inception until 2002, and Chairman until his term expired in 2003. Prior to acquiring and building Pervasive, Mr. Harris was a co-founder and served as Executive Vice President of Citrix Systems and was responsible for all marketing, engineering, and customer-service operations.

Separately, Mr. Harris served on the board of the San Antonio branch of the Dallas Federal Reserve Bank from 1998 until 2004. He has a Bachelor of Science Degree in Computer Science from Vanderbilt University and an MBA from The University of Texas at Austin. He currently chairs the board of Leadership Development International.

B. Types of Advisory Services

We only provide advisory services to private investment funds, as described above. We do not provide investment advice to the Investors in our Clients, or any other individual investor.

C. Tailoring of Advisory Services

The Adviser tailors its investment advice in accordance with the investment objective and strategy of the applicable Fund, as set forth in the offering documents for such Fund. The Adviser does not tailor advisory services to the needs of any particular Investor in any of the Funds.

D. Wrap Fee Programs

The Adviser does not participate in wrap fee programs.

E. Assets Under Management

As of December 31, 2020, the Adviser had approximately \$ 302,575,000 of assets under management on a discretionary basis and approximately \$4,664,000 of assets under management on a non-discretionary basis.

Item 5 - Fees and Compensation

A. Our Compensation for Advisory Services

Funds of Funds

The Adviser charges each Fund of Funds an annual management fee (the “Management Fee”) based on the subscribed capital of the Fund of Funds. The amount of the Management Fee will generally start at an annual rate of 2% of subscribed capital, and reduce over the life of the Fund of Funds. The Adviser does not receive any performance-based fee from any Fund of Funds.

Co-Investment and Non-Program Funds

The general partner of each Co-Investment Fund and Non-Program Fund (each an affiliate of the Adviser), receives performance-based compensation in the form of a carried interest (the “Carried Interest”). At the election of the Investor, the general partner in most cases receives either (1) a 17.5% Carried Interest allocated from the capital account of the Investor to the general partner of the Co-Investment Fund after payback of contributed capital to the Investor or (2) a 35% Carried Interest after a 2X payback of contributed capital; however, the Adviser may waive or lower the fees applicable to certain Investors. In addition, future Co-Investment Funds may be offered with different terms. The Carried Interest may be shared with third parties with whom the Adviser has a strategic relationship.

The Adviser does not charge the Co-Investment Funds or the Non-Program Funds a management fee; however, the Adviser is reimbursed by these Funds for certain expenses, including a pro rata portion of the salaries of certain employees of the Adviser, including for accounting, legal, compliance and administrative services (see “Other fees and expenses” below).

General

In accordance with common industry practice, the Adviser or the general partner of any Fund may enter into “side letters” or side agreements with certain investors in a Fund whereby the Adviser or the general

partner of the Fund may grant individual Investors specific rights, benefits, or privileges not set forth in the offering documents. Such investor specific rights, benefits or privileges may not be applicable to all Investors and therefore may not be made available to all Investors generally.

B. How we collect fees

Management Fees are payable by each Fund of Funds quarterly in advance and are deducted from the Fund's bank account. The Adviser's Management Agreement generally restricts a Fund's ability to terminate the agreement. The specific restrictions may vary depending on the nature of the Fund. Therefore, Management Fees are not refundable once paid.

The Carried Interest is allocated to and paid to the general partner of the applicable Co-Investment Fund or its assignee at the time distributions are made to the Investors in the Co-Investment Fund.

C. Other fees and expenses

Funds of Funds

We do not charge our Fund of Funds for our overhead or the salaries of our employees. We are reimbursed by each Fund of Funds for actual third party expenses incurred by the Adviser on behalf of the Fund of Funds. Each Fund of Funds may also directly incur or bear actual third party charges and expenses. Such charges may include brokerage commissions or ticket charges, custodial fees, accounting, audit and legal expenses, and costs of any litigation or investigation involving the activities of such Fund.

Each Fund of Funds also indirectly pays fees and expenses as a limited partner of the Sponsor Funds it invests in. These include management fees charged to each Sponsor Fund by the applicable Sponsor Firm. The management fees charged by Sponsor Firms are generally 2.0% of committed, called or invested capital per year. In addition, an affiliate of each Sponsor Firm generally receives a carried interest in the private equity fund equal to 20% of realized profits.

Co-Investment and Non-Program Funds

Each Co-Investment Fund and each Non-Program Fund are responsible for all costs, expenses, liabilities and obligations relating to the Client's activities, investments and business as the general partner of the applicable Client may deem necessary ("Expenses"), and each of these Clients reimburses the Adviser and its affiliates to the extent Expenses are incurred by the Adviser or its Affiliates on behalf of the Client. Expenses include a portion of the salaries and other overhead expenses of the Adviser that are reasonably allocable to the Client, as well as third party expenses including the fees of the qualified custodian, surprise audit fees, and legal fees. The overhead and salaries of the Adviser that are allocable to the Co-Investment Funds and the Non-Program Funds include a portion of the salaries of the accountants and other professionals employed by the Adviser as well as accounting and data base software purchased by the Adviser to perform compliance and other back-office functions for the Client including but not limited to processing capital calls, distributions, tax return work papers, annual reporting to Investors, annual reporting to SEC, Investor correspondence and all accounting functions performed by the Adviser on behalf of the Client.

Each Co-Investment Fund and Non-Program Fund has entered into an Administrative Services Agreement with the Adviser, pursuant to which each such partnership pays the Adviser an "Annual Reimbursement Amount" as reimbursement for the anticipated partnership expenses to be incurred by the Adviser on behalf of the Client for the coming year. The Annual Reimbursement Amount may be adjusted from year to year based on the actual Expenses incurred by the Adviser on behalf of the Client during the previous fiscal year; provided, however that during any fiscal year, the Annual Reimbursement Amount will never be greater

than 0.5% of the total invested capital of the Client. In addition, the Client does not reimburse the Adviser or any of its affiliates for overhead and administrative expenses incurred in connection with maintaining and operating their offices; or the salaries, bonuses, fringe benefits or any other compensation of Mr. Preston, Mr. Harris and their personal assistants.

Expenses incurred by each Co-Investment Fund and each Non-Program Fund are paid from an “Upfront Partnership Expense Reserve,” which is funded by a portion of each capital call from the Investors in the applicable Fund equal to 1.5% of the amount necessary to fund the Fund’s investments. In other words, each capital call is approximately 101.5% of the amount necessary to fund the related Fund’s investment. In addition, if necessary, the general partner of the Client may (i) withhold from any distributions to Investors amounts necessary to pay Expenses and to create a reserve, in such amounts as determined by the general partner, to pay future Expenses; (ii) advance, or cause any of its affiliates to advance, to the Fund such amount as necessary to pay Expenses with such advance treated as a loan payable upon demand by the Fund; or (iii) call additional capital contributions from the Investors if deemed necessary by the general partner to pay Expenses. Any amounts remaining in the expense reserve, if any, at the time of fund distribution/wind-up will be distributed to the Investors.

Because we control the general partner of each Co-Investment Fund and each Non-Program Fund, the reimbursement of salaries of the Adviser by the Funds creates a conflict of interest. We believe this conflict is mitigated by the fact that the Annual Reimbursement Amount for any fiscal year will never exceed 0.5% of the total invested capital of the applicable Fund, and the fact that no Fund will reimburse the Adviser for overhead expenses of the Adviser in connection with maintaining and operating their offices or the salaries of Mr. Harris, Mr. Preston and their personal assistants. The Adviser also believes that the reimbursed amount is lower than the fees that would be charged by a third party for the same services.

D. Advance Payment

Management Fees are payable by the Fund of Funds in advance. No portion of the prepaid fees will be refunded should the Fund of Funds make a distribution or be liquidated other than at the end of a quarter or a calendar year, as the case may be. To the extent the Upfront Partnership Expense Reserve is not fully used to pay Expenses, such excess will be distributed to the Investors on liquidation of the Fund.

The general partner of each Co-Investment Fund will not receive any compensation until the investments of the Co-Investment Fund are realized.

E. Compensation for Sales of Securities

Neither the Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

An affiliate of the Adviser receives a performance-based fee in the form of a carried interest from each Co-Investment Fund. The Funds of Funds are not charged a performance-based fee. This could create an incentive for the Adviser to allocate an investment opportunity to a Co-Investment Fund rather than the Fund of Funds. The Adviser believes that such a conflict of interest is mitigated because the strategy of the Fund of Funds is to invest in other private equity funds controlled by the Sponsor Firms, while the strategy of the Co-Investment and Non-Program Funds is to invest directly in co-investment opportunities. Under limited circumstances, a Fund of Funds may invest in a Co-Investment Fund in order to provide the Investors or prospective Investors with additional time to make a decision as to whether to participate in a Co-Investment. A Fund of Funds may also invest directly in a co-investment, if the investment is too small to create a separate Co-Investment Fund. Nevertheless, the principle investment strategy of the Funds of

Funds is to invest in funds controlled by the Sponsor Firms, not in Co-Investment Funds or co-investment opportunities. In addition, Investors in each Fund of Funds will have the opportunity to invest in each Co-Investment Fund related to that Fund of Funds at their own discretion. Therefore, the Adviser does not believe that it has an incentive to allocate co-investment opportunities to the Co-Investment Funds rather than to the Fund of Funds.

Item 7 - Types of Clients

Our only Clients are private investment partnerships.

The minimum investment for Investors in each Fund of Funds is \$1 million, although the general partner may, in its discretion, allow less than the minimum investment in certain limited cases.

The Co-Investment Funds will vary in size, likely in the \$1,000,000 to \$25 million range, although larger opportunities may occur. Each Investor will receive a pro-rata allocation based on its capital commitment to the related Fund of Funds. If an Investor elects not to invest in a particular Co-Investment Fund, its allocation may be offered to the other Investors in the related Fund of Funds, and, if necessary to other strategic investors well known to the Adviser.

Because an affiliate of the Adviser receives performance based compensation from each Co-Investment Fund, Investors in the Co-Investment Funds must be “qualified clients” under the definition in Rule 205-3 of the Investment Advisers Act of 1940. Generally speaking, qualified clients include 1) a person or company with at least one million dollars under management by the Adviser; 2) a person or company with a net worth of more than 2.1 million dollars or who is a qualified purchaser as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940; and 3) certain key employees of the Adviser.

In certain instances where additional allocation is available, the Advisor may allow its employees to invest in a particular Co-Investment Fund. Because many employees are not “qualified clients” under the definition in Rule 205-3, the Advisor does not charge any Carried Interest on their investments. Recently, the Adviser changed its policy so that only employees who are Qualified Purchasers under the definition in Section 2(a)(51) of the Investment Company Act of 1940 may invest. Employees are limited to \$2,500 on any one investment opportunity (in some instances up to \$5,000 with the Managing Directors’ approval), and the Advisor has the discretion, but not the obligation, to purchase the Employee’s investment back at the current FASB upon termination of employment (whether voluntary or involuntary).

For further discussion of these and related items, see *Item 4 – Advisory Business*.

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

A. Analysis and Strategies

The long-term investment objective of each Fund is to achieve superior risk-adjusted net returns. The Adviser will seek to obtain this objective through an investment strategy focused on (1) investing the Funds of Funds in a diversified set of Sponsor Funds established by the Sponsor Firms, and (2) offering our Investors the option, but not the obligation, to elect to participate in our Co-Investment Funds which participate directly in investments sourced by the Sponsor Firms and other private equity firms and professionals and the management teams of portfolio companies (collectively, the “HPP Network”).

The Adviser anticipates that the substantial majority of each Fund of Funds’ capital will be invested in private equity funds managed by Sponsor Firms. The Co-Investment Funds will focus on co-investment opportunities identified by the Sponsor Firms—generally small and middle market corporate finance and buyout investment opportunities in established companies in the \$5.0 million to \$500 million (enterprise

value) range.

Investment Review. The Adviser will generally begin actively reviewing an investment opportunity (a) after it has been screened by a member firm of the HPP Network, or (b) alongside the member firm of the HPP Network if the Adviser originated the investment opportunity. Thereafter, the Adviser will employ a confirmatory and disciplined review process, the highlights of which are set forth below.

Due Diligence. The Adviser will undertake a confirmatory, independent due diligence review of all investments and co-investments. Due diligence procedures for the investments in private equity funds sponsored by a Sponsor Firm include a detailed review of the Sponsor Firm's principals, reputation, strategy and record. The Adviser anticipates that the Funds of Funds will generally make investments in funds where it or one of its affiliates has a longstanding relationship with the Sponsor Firm managing the fund.

Co-investment due diligence principally relies on the efforts of our Sponsor Firms, and may include management, financial, industry, and market review and analysis. In addition to insuring the alignment of interests among the management team, the lead investor and the Co-Investment Fund, a primary objective of the due diligence process will be to determine the risk/return qualities of an investment. Put another way, co-investment due diligence will be designed to determine whether the return potential of a particular opportunity (as determined by the Adviser) justifies its risk (given the possibility that operational and/or financial problems could result in a loss of capital).

While the exact program of co-investment due diligence will vary depending on the nature and timing of each particular investment opportunity, we will generally begin by reviewing preliminary information prepared by the sponsor of the investment or the management team of the portfolio company and conducting limited confirmatory due diligence, focused on key principles relating to (a) the purchase price, (b) opportunities for improvement, and (c) opportunities for growth. The Adviser will avoid businesses that have a high degree of government related or material commodity pricing risk, as these characteristics are difficult to control. Another threshold consideration is whether the co-investment management team, the sponsoring Sponsor Firm or HPP Network member and the Fund all have aligned interests.

B. Material Risks

Risk of Loss. Investing in securities (including both public and private companies) involves the risk of loss. While the Adviser's ultimate goal is to provide attractive returns over a long period of time, there can be no assurance we will achieve this goal. Investments made by the Adviser on behalf of the Funds and other clients may involve a high degree of business and financial risk that can result in substantial or even total losses.

Illiquid Long-Term Investment. An investment in any of our Funds is a long-term commitment, and there can be no assurance of any distribution to the Investors prior to liquidation of the Fund of Funds or the Co-Investment Funds, as the case may be.

Market Conditions. The Funds will be materially affected by conditions in the financial markets and economic conditions, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in law, commodity prices and political circumstances, and such conditions may adversely affect performance. As a result of such factors, the Adviser may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing risks.

Competition for Investments. The Adviser expects that it will encounter competition from other investors, including other private funds having similar investment objectives, certain of which may possess competitive advantages over the Adviser or the Sponsor Firms in bidding for investments on behalf of the Funds and other clients, including greater financial, technical, marketing and other resources, higher risk

tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Adviser, as well as an ability to achieve synergistic cost savings in respect of an investment.

Co-Investment Funds. There is no assurance that the Adviser or our Sponsor Firms will be able to find suitable co-investment opportunities for the Funds or the Investors.

Reliance on Individuals. The Funds will be particularly dependent on our Principal Owners Charles M. Preston III and Ron R. Harris and our other Managing Director, William Glasgow. The loss of any of these individuals could have a materially adverse effect on the Funds and our Investment Program.

The Adviser and the general partner of each of the Funds are ultimately controlled 50/50 by Charles M. Preston III and Ron R. Harris. A disagreement between Mr. Preston and Mr. Harris may have a materially adverse effect on the ability of the Adviser to generate co-investment opportunities for our Funds. Either Mr. Preston or Mr. Harris may elect to exercise a buy-sell provision to purchase the direct and indirect interest of the other party in the Adviser and its affiliates for the appraised value of such interests. If Mr. Preston or Mr. Harris were to die or become disabled, then the other would assume full management control over the Funds with the assistance of Mr. Glasgow. If both Mr. Preston and Mr. Harris were to die or become disabled, Mr. Glasgow would wind down the operations of the Adviser with the assistance of our Chief Operating Officer, Shelley McAfee.

Uncertainty Regarding Investments. Although the Adviser conducts confirmatory due diligence prior to making an investment, the due diligence process may be subjective at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require the Adviser to rely on limited resources available to it. As a result, the due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Importantly, the Adviser relies heavily on the due diligence process conducted by the Sponsor Firms.

Forward-Looking Statements. Certain statements, including without limitation, statements containing the words “believes,” “anticipates,” “intends,” “plans,” “expects,” “projects, projections” and words of similar import constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Given the nature of these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Non-Controlling Investments. On behalf of the Funds, the Adviser generally makes investments representing less than 50% of the outstanding voting interests of a company and/or will not hold investments in debt instruments or other securities that entitle it or its client to control voting rights and therefore, may have a limited ability to protect its investment in such portfolio company. As stated previously, the Adviser relies on the investment expertise and due diligence of the Sponsor Firms.

Concentration of Investments. The Funds’ portfolio, and the portfolio of the funds in which the Funds invest, may become concentrated in a limited number of companies in certain industries or markets, increasing the vulnerability of the portfolio in a downturn in such market or industry.

Reliance on Sponsor Firms. The Sponsor Firms will be responsible for sponsoring the substantial majority of the investments made by the Co-Investment Funds. The Adviser will do confirmatory due diligence on investments sourced by the Sponsor Firms or other members of the HPP Network. The Adviser’s due diligence process principally relies on the analysis and opinion of the Sponsor Firm leading the investment. In addition, the Funds will in most cases rely significantly on the existing management and board of

directors of portfolio companies, which may include representatives of Sponsor Firms or other financial investors with whom the Adviser is not affiliated and whose interests may at times conflict with the interests of the particular Co-Investment Fund.

Additional Capital Requirements of Portfolio Investments. Certain of the companies in which the Adviser invests on behalf of the Funds or its other clients may require additional financing to satisfy their working capital requirements or acquisition strategies. Additional financing may occur at a price that is unfavorable or dilutive to the Funds or the other clients. There can be no assurance that the Adviser will be able to accurately predict the future capital requirements necessary for success or that additional funds will be available from any source.

Risk of Leverage. On behalf of the Funds or other clients, the Adviser may invest in portfolio companies with leveraged capital structures. A leveraged capital structure increases the exposure of portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of portfolio companies or their industries. Leverage also may involve restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow, which could adversely affect such companies.

Investments in Turnarounds. In limited cases, the success of an investment made by a Fund will depend on the ability of the Adviser, or a Sponsor Firm, to facilitate a successful restructuring and affect improvements in the operations of a portfolio company, and there can be no assurance that the Adviser, or a Sponsor Firm, will be able to successfully identify and implement such restructuring programs and/or improvements.

Consequences of Failure to Pay Contribution in Full. If an Investor fails to pay any installment of its capital commitment to a Fund of Funds, the liabilities to which it will be subject will include, among other things, an option exercisable by the Fund of Funds to redeem the Investor's entire interest in the Fund of Funds for an amount equal to 25% of its then capital account. The Partnership Agreement for each Fund of Funds provides generally that the balance of an Investor's capital account at any given point in time will equal the excess, if any, of (a) the sum of its capital contributions and any net profits previously allocated to it, over (b) all prior distributions to it and any losses previously allocated to it. In the event that the Fund of Funds does not exercise its option to redeem a defaulting Investor's interest, the remaining Investors, or failing the exercise of their option, the general partner of the Fund of Funds or its nominees, may purchase a defaulting Investor's entire interest in the Fund of Funds at 25% of its then capital account. In addition, the general partner may pursue any available legal or equitable remedies, with the expense of collection of the unpaid amount, including attorney's fees, to be paid by the defaulting Investor.

Conflicts of Interest. The Adviser and its affiliates may be subject to various conflicts of interest. The Adviser, the Principal Owners, Managing Director and other affiliates of the Adviser are or may be engaged in other business activities. The Adviser and such persons will not be required to refrain from any other activity or to disgorge any profits from any such activity, and will not be required to devote all of their time and efforts to their clients. Please see Items 10 and 11 for a more detailed discussion of our conflicts of interest.

Allocation of Investment Opportunities. The Adviser will offer each Investor in a Fund of Funds the first opportunity to invest in all investment opportunities sponsored by Sponsor Funds that the Fund of Funds invests in. Once the Investors' in the Co-investment Fund own investment positions have been satisfied, the Adviser will offer participation in the remainder of such opportunities to one or more other persons. It may also occasionally be necessary to allocate limited investment opportunities to other strategic partners in the HPP Network, which may result in the Investors' share of such investment being lower than what would otherwise be available.

Information Delays. The Funds may experience time delays in receiving financial and other information from managers of the private equity funds in which they invest. The values of a Fund's investments will be reported based on their net asset value. In determining such values, we are reliant on receiving financial data from the Sponsor Firms of their underlying investments. Such information is generally provided on an annual (and with some Sponsor Firms, quarterly) basis. To the extent that the net asset value of any investment in an underlying Fund's portfolio changes with our knowledge, the reported value of the Fund's investment will not immediately reflect such a change.

Cyber Security Risk. As the use of technologies, such as the internet, has become more common in conducting business, our Clients may be more susceptible to operational, information security, and related risks in connection with breaches in cyber security. Generally, a cyber security failure may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a Client to lose proprietary information, corrupting data, or causing operational disruption, including denial of-service attacks on websites. A cyber security failure could cause a Client and/or the Adviser to become subject to regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial losses. Cyber security failures may involve third party service providers, sponsor firms, and investments made by, or counterparties in transactions with, the Adviser or our Clients. We have established policies and procedures reasonably designed to reduce the risks associated with cyber security failures; however, there can be no assurance that these policies and procedures will prevent or mitigate the impact of cyber security failures.

Dilution. Investors in a Fund could be diluted from subsequent closings. Investors subscribing for interests in a Fund at subsequent closings will participate in existing investments of the Fund, diluting the interest of the existing Investors therein. Although such Investors will contribute their pro rata share of previously made Fund draws (plus an additional amount relating to the cost of money previously contributed by existing Investors), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Investor's subscribe for interests in the Fund.

Fund of Funds Fee Structure. The structure of a fund of funds typically results in at least two layers of fees and expenses borne by its investors, those incurred by the fund of funds and those incurred by the underlying funds in which the fund of funds invests. The Adviser has attempted to mitigate this by not taking any carried interest in the Funds of Funds. In addition, Investors in the Funds of Funds will have the opportunity to invest in Co-Investment Funds that have no direct management fee (other than a small reserve for expenses). Occasionally, a Co-Investment Fund will invest through a holding company formed by a Sponsor Firm or other investment sponsor. The sponsor of the investment may charge a management fee and/or a carried interest at the holding company level. Investors in the Fund of Funds will generally be subject to a maximum Carried Interest of 17.5% or 35% at the Investor's election. If a carried interest is charged by Sponsor Firm to a Co-Investment Fund, the general partner will generally reduce its carry proportionately. Nevertheless, Investors will incur a management fee and other administrative costs related to the management of the Funds of Funds in addition to the carried interest and management costs and other administrative expenses imposed by each underlying private equity fund that the Fund of Funds invests in. Therefore, the structure of our Funds of Funds will result in greater expense than would be the case if an Investor invested directly in the underlying private equity fund. See *Item 5 – "Fees and Compensation"* for more information.

Non-Transferability. Interests in the Funds will be restricted by the Fund documents and provisions of federal and state securities laws. Investors will not be able to transfer their interest in a Fund without the prior approval of the Adviser. There is no public market for interests in the Funds, and none is expected to develop. Because of limitations on withdrawal rights and the fact that interests are not tradable, an investment in the Funds is an illiquid investment and involves a high degree of risk.

Carried Interest. As noted earlier, the general partner of each Co-Investment Fund will be entitled to receive carried interest. The existence of carried interest may create an incentive for the general partner to approve and cause the Funds to make riskier or more speculative investments than it would otherwise make in the absence of such performance-based profit sharing.

Item 9 - Disciplinary Information

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration

The Adviser is not registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, the Adviser and its management persons are not affiliated with any broker-dealer.

B. Futures and Commodities Registration

Neither the Adviser nor any of its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading Adviser, or associated party of any of those, nor does it have any pending application to register as such.

C. Related Persons and Conflicts of Interest

Certain affiliates of the Adviser, including the Principal Owners, have a passive economic interest in some of the firms that sponsor investments made by the Co-Investment Funds. These economic interests may entitle our affiliates to a share of the carried interest allocated to the sponsor of investments made by our Co-Investment Funds, which creates a conflict of interest in that we will be more likely to direct investments sponsored by these sponsors to our Program. This conflict of interest is mitigated by our disclosure to prospective investors in our Co-Investment Funds and the fact that we will reduce the carry at the Co-Investment Fund level. In addition, we believe that this minority interest creates investment opportunities that we offer to our partners.

The Adviser provides accounting and other back-office services to the Funds, as explained in Item 5 above, and the Co-Investment and Non-Program Funds may reimburse the Adviser for a pro rata portion of the salaries of certain employees of the Adviser. This may create an incentive for the Adviser to use in-house administrative services rather than outsource this function. The Adviser believes this conflict of interest is mitigated because it would be more expensive for the Funds to use an outside accounting firm for this function.

The Adviser may also provide accounting and back-office services to investment advisers and funds not advised by the Adviser. This could create a conflict of interest in that the staff of the Adviser may not have adequate time to devote to the Funds, particularly to the Funds of Funds, which do not pay for the accounting services other than through payment of the management fee. The Adviser believes that it mitigates this conflict of interest by managing its staff to insure sufficient personnel to manage all job responsibilities, and the Adviser will decline any request for accounting or administrative services that would potentially impede its ability to service the Funds.

In addition, certain affiliates of the Adviser, including the Principal Owners, may engage in business activities unrelated to the business of the Adviser or the Funds, which could create conflicts of interest due

to the fact that these persons will not be dedicating all of their business time to the business of the Adviser. For example, one of our Managing Directors, William Glasgow, is the President of Prime IX Investments, a family office; however, Mr. Glasgow spends the vast majority of his time working for the Adviser.

We have recently formed an Advisory Board to advise the Adviser with respect to potential investments and business development, among other things. We may pay members of the Advisory Board, including its Chair, Scott Donaldson, an annual fee. Members of the Advisory Board may be employed by other private equity firms and may have other business interests that compete with the Adviser and our Clients. We will mitigate this conflict by requiring the members of the Advisory Board to be supervised persons and access persons subject to our compliance program and our Code of Ethics.

D. Compensation from Other Investment Advisers

The Adviser is not compensated for recommending or selecting other investment advisers for its Clients. As noted above, however, our affiliates may have minority interests in certain sponsors that our Clients invest with. This creates a conflict of interest in that we may have an incentive to invest Client assets in sponsors that one of our affiliates owns an interest in. We manage this conflict by making investments based on what we believe to be in the best interest of our Clients. The Adviser has no other business relationships with other advisers that create any material conflict of interest.

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

The Adviser has a fiduciary responsibility to treat clients fairly and avoid actual or potential conflicts of interest. The employees of the Adviser have an obligation to act solely in the best interests of our Clients, and to make full and fair disclosure of all material facts, particularly where the interests of one or more of our Clients may conflict with the interests of the Adviser or its employees.

A. Code of Ethics

The Adviser has adopted, and requires all employees to understand, acknowledge and follow, a Code of Ethics. The fiduciary principles that govern personal investment activities of employees are, at a minimum, the following: (1) the duty at all times to place the interests of clients first; (2) the requirement that all personal securities transactions be conducted in a manner that is consistent with Rule 204A-1 of the Advisers Act and in such a manner so as to avoid any actual or potential conflict of interest, or any abuse of an individual's position of trust and responsibility; and (3) the fundamental standard that personnel providing services to clients should not take inappropriate advantage of their positions. The Adviser's policy is that the interest and privacy of clients always comes first and all employees will conduct themselves in accordance with the highest standards of integrity, honesty and fair dealing. The Adviser monitors compliance with the Code on an ongoing basis, and employees may be subject to disciplinary actions as severe as dismissal for certain infractions. The Adviser's Code of Ethics is available to our Clients, Investors and prospective Investors upon request.

B. Participation or Interest in Client Transactions

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate thereof proposes to purchase a security from, or to sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make

certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction.

On occasion, an affiliate of the Adviser, including one of the Fund of Funds, may temporarily invest in a Co-Investment Fund in order to give potential investors time to invest in the Co-Investment Fund. We refer to this temporary investment as a "bridge." Most of our bridges are structured as follows: first, a Co-Investment Fund is formed and the person or entity providing the bridge invests in the Co-Investment Fund with the proceeds being used to purchase an investment in a single portfolio company; second, interests in the Co-Investment Fund are offered to the Investors (including the Principal Owners), in the Fund of Funds from which the opportunity came on a pro rata basis based on their investment in the Fund of Funds; third, if there is still availability in the Co-Investment Fund, the interests will be offered to other potential investors, including the Principal Owners, certain employees of the Adviser, and other Investors in the Fund of Funds who may wish to invest more than their pro rata amount; and fourth the person or entity providing the bridge will be partially or fully redeemed from the Co-Investment Fund in the amount subscribed by the other investors in the Co-Investment Fund.

Bridges create conflicts of interest, particularly where one of our affiliates bridges the investment or where one of our affiliates is purchasing a bridged investment from a Fund of Funds or one of our other Clients. To address this conflict, we have adopted a Bridge Policy. If the person providing the bridge is not fully redeemed, that person will retain the investment in the Co-Investment Fund and the opportunity to invest in the Co-Investment Fund may be offered at a later time to other investors, including the Principal Owners and other affiliates of the Adviser for up to 24 months (48 months in the case of HPEP II, LP). The person or entity providing the bridge will receive half of any carried interest (performance allocation) earned with respect to the bridged portion of the investment subscribed by other investors in the Co-Investment Fund. In addition, if one of the Fund of Funds provides the bridge for the Co-Investment Fund and retains any ownership in the Co-Investment Fund, the interest of the Fund of Funds in the Co-Investment Fund will not be subject to any carried interest in favor of the Adviser or its affiliates. If the Adviser or one of its affiliates including one of our Principal Owners proposes to invest in a Co-Investment Fund that has been bridged by a Fund of Funds or another Client, the terms of the redemption and the terms of the proposed investment will be disclosed in a notice to all investors in the relevant Fund of Funds (or other Client) giving them the opportunity to object to the terms and if no objection is timely made by any investor, then the affiliate may invest in the Co-Investment vehicle on the terms so disclosed.

At certain times, it may be necessary to Bridge all or a portion of a co-investment that is fully subscribed, including in the case of a closing date being moved up on the underlying investment. Because this Bridge investment is for short-term timing purposes only, and the Co-Investment Fund is fully subscribed and not considered "at risk" for the Bridge Provider, the Bridge Provider may, instead of making an equity investment in the Co-Investment Fund, loan the money to the Co-Investment Fund at an interest rate equal to the 12-month LIBOR interest rate plus 2%. The Bridge Provider will not receive any additional consideration for making the Bridge loan. The loan will typically be for less than 20 days, but in no case will the term of the loan exceed a twelve-month period.

The Adviser may provide an investment opportunity to the Funds, or buy or sell for Fund accounts, securities in which it or one of the Principal Owners has a material financial interest; however, any potential conflict of interest has and will be clearly disclosed to Investors prior to their investment in the applicable Fund, normally through the respective investment notice for each Co-Investment Fund provided to the Investors by the Adviser prior to the closing of the investment opportunity.

One or both Principal Owners of the Adviser may serve on the advisory board of one or more Sponsor Funds sponsored by a Sponsor Firm, to provide general advice, for deal flow and to help with conflict of interest issues. Regarding Co-Investment Funds, the Adviser will work to add value by introducing the controlling Sponsor Firms and their management teams to prospective add-on acquisitions and customers.

One or both of the Principal Owners or other affiliates of the Adviser may also serve on the board of directors of a portfolio company owned directly or indirectly by a Fund. The Adviser may also negotiate for board observation rights at a portfolio company. These activities are non-compensatory.

In some instances, one of the Funds may hold an interest in a portfolio company that merges with a portfolio company held by another Fund. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest. In the substantial majority of our investments, the Sponsor Firms rather than the Adviser or the Funds will control the portfolio company and the terms of any restructuring. With respect to cases in which the Adviser or a Fund advised by the Adviser controls the terms of the Investment, the Adviser will resolve all such conflicts using its best judgment but in its sole discretion.

Investments to finance follow-on investment rounds or acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing. Again, the Sponsor Firms, rather than the Adviser will normally set the terms of such new financing, which our Investors will then generally have the opportunity, but not the obligation, to participate. In the limited situations where a conflict of interest may arise with an investment controlled by the Adviser, the Adviser will resolve all such conflicts using its best judgment.

C. Personal Securities Investing

As a general matter, our Principal Owners and other affiliates of the Adviser do not invest in the same securities as the Funds, but rather invest in the Funds themselves, alongside other Investors. We believe the Principal Owners' investments in the Funds is a materially positive aspect of the Adviser's Program.

D. Personal Securities Trading

The Adviser has adopted personal trading policies and procedures to address conflicts of interest with its clients. Also, the Adviser's Principal Owners or their affiliates are invested in the Funds to align our interest with the Fund's Investors.

Item 12 - Brokerage Practices

The Adviser manages the Funds on a discretionary basis. Investments that the Adviser makes on behalf of the Funds are generally investments in private companies or purchases in private placements and do not involve brokers. The Adviser will use brokers to sell public stock received in the form of stock distributions from underlying partnerships or received when a private company completes an initial public offering. The Adviser will normally undertake to distribute public securities as soon as reasonably practicable to the underlying Fund Investors. When selling securities, the Adviser generally sells through a diversified group of brokers. Brokers are selected on the basis of best price and execution. Soft dollar arrangements are not utilized by the Adviser.

Item 13 - Review of Accounts

An unaudited financial report of each Client and information necessary to enable Investors to file their federal and state tax returns will be furnished annually after the end of each calendar year.

Item 14 - Client Referrals and Other Compensation

A. Compensation from Non-Clients

The Adviser does not receive economic benefits from a non-client for providing investment advice or other advisory services to their Clients.

B. Compensation for Client Referrals

While the Adviser does not compensate any person for Client referrals, it does have arrangements with individuals who are not supervised persons to refer potential Investors for our Funds. Currently, the Adviser has consulting agreements with Stephanie Scheaffer and Merrill Laguarta with respect to the referral of Investors. Both Ms. Schaeffer and Ms. Laguarta are registered as Finders with the Texas State Securities Board. We have agreed to compensate Ms. Schaeffer with respect to each investment made by an Investor she has referred to the Adviser after September 18, 2020, and we have agreed to compensate Ms. Laguarta with respect to each investment made by an Investor she has referred to the Adviser after December 17, 2020. Each of Ms. Scheaffer and Ms. Laguarta will receive compensation equal to (1) 10% of the revenue from management fees and carried interest received by the Adviser and its affiliates related to investments made before January 1, 2027 by Investors referred by her, and (2) 5% of such revenue related to such Investments made after January 1, 2027 and before January 1, 2042.

Item 15 - Custody

Because the General Partner of each Fund is an affiliate, the Adviser may be deemed to have custody of the Funds' assets. Assets for which we have custody are held only at qualified custodians and in accordance with applicable regulations. These regulations require us to maintain Fund assets with a qualified custodian in a separate account for each Fund under that Fund's name. Investors will receive quarterly account statements directly from the qualified custodian. Investors are urged to carefully compare these statements with any reports provided by the Adviser.

Item 16 - Investment Discretion

The Adviser has investment discretion to manage the Funds' assets. The Funds of Funds' partnership documents and their Management Agreements with the Adviser typically provide the Adviser with the ability to select investment opportunities and securities to be bought and sold and to determine the amount of the transactions. The Adviser exercises its discretion in a manner consistent with the Funds' investment goals and objectives.

The Co-Investment Funds generally are established to invest alongside one or more Sponsor Funds in one or more investment opportunities. Because each Co-Investment Fund generally is contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at the same time and on the same terms as the applicable Sponsor Fund that also is invested in the particular investment opportunity, the Adviser generally has no discretion to invest/divest the assets of a Co-Investment Fund independent of such contractual requirements.

Item 17 - Voting Client Securities

The Adviser does not expect that the Funds will hold securities that have conventional voting rights. In the event that a Fund does hold such a security, it will vote such securities in the best interest of the Fund.

Item 18 - Financial Information

The Adviser does not require prepayment of any advisory fees six or more months in advance. There is no

financial condition that is reasonably likely to impair the Adviser's ability to continue to meet its contractual commitments and provide services to its clients. The Adviser has never filed for bankruptcy protection.