

Item 1 – Cover Page

**Part 2A of Form ADV
Brochure for:**

HCSF MANAGEMENT, LLC

**One Embarcadero Center, Suite 1600
San Francisco, CA 94111
(415) 263-7300
www.headlandscap.com**

March 31, 2021

This brochure provides information about the qualifications and business practices of HCSF Management, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 263-7300 or ir@headlandscap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

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

Item 2 – Material Changes

HCSF Management, LLC (“Headlands Capital”) is an existing registered investment advisor and has submitted a prior version of this brochure to regulators, Clients (defined below) and prospective Clients.

This brochure includes routine immaterial annual updates, including Regulatory Assets Under Management, to the prior version of this brochure, dated March 30, 2020. This brochure contains certain other updates, including the addition of certain potential risk factors in Item 8 and the addition of certain potential conflicts of interest in Item 11.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 - Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	17
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12 – Brokerage Practices	20
Item 13 – Review of Accounts	22
Item 14 – Client Referrals and Other Compensation	22
Item 15 – Custody	22
Item 16 – Investment Discretion	22
Item 17 – Voting Client Securities	23
Item 18 – Financial Information.....	23
Item 19 – Requirements for State-Registered Advisers	23

Item 4 – Advisory Business

HCSF Management, LLC (“Headlands Capital”) is a Delaware limited liability company organized in March, 2012. Prior to March, 2012, HCSF Management, LLC conducted business as Headlands Capital Advisors, LP (“Headlands Capital Advisors”) since 2006. Headlands Capital provides advisory and portfolio management services to pooled investment vehicles, including Headlands Strategic Opportunities Fund, LP (“Headlands Strategic Opportunities Fund”), Headlands Capital Secondary Fund, LP (“Headlands I”), Headlands Capital Secondary Fund II, LP (“Headlands II”), Headlands Capital Offshore, LP (“Headlands Offshore”), Headlands Capital Secondary Fund III, LP (“Headlands III”), Headlands Capital Offshore III, LP (“Headlands Offshore III”) and, together with Headlands Strategic Opportunities Fund, Headlands I, Headlands II, Headland Offshore and Headlands III, the “Fund Clients”) and certain other pooled investment vehicles which co-invest in certain portfolio investments made by the Fund Clients (each, a “Co-Invest Fund”). Throughout this brochure, “Clients” shall be used to refer to the pooled investment vehicles managed by Headlands Capital, including the Fund Clients, and “investors” shall be used to refer to those vehicles’ underlying investors.

Headlands Capital is indirectly principally owned by David E. Park, III and David W. Cost Jr.

Advisory Services

Headlands Capital provides discretionary advisory and portfolio management services to its Fund Clients according to the investment objectives and strategies described in the offering documents of each Fund Client. These objectives and strategies may limit the concentration and geography of the Clients’ investments or limit Headlands Capital’s investments in certain asset classes. Headlands Capital may further tailor its advisory services to the specific needs of a Fund Client as may be necessary, appropriate or negotiated from time to time.

Headlands Capital does not participate in any wrap fee programs.

As of December 31, 2020, Headlands Capital had discretionary Client assets under management of approximately \$549,121,595.

Advisory Services Tailoring

Client accounts are managed according to the strategies and objectives set out in each Client’s constituent documents.

Item 5 – Fees and Compensation***Management Fee***

Headlands Capital generally receives the following fees. Headlands Capital, in its sole discretion, can waive or reduce the management fee and performance fee with respect to certain investors.

Headlands Strategic Opportunities Fund, LP – Headlands Capital will receive from Headlands Strategic Opportunities Fund a management fee equal to 0.375% per quarter of net asset value (“NAV”), payable quarterly in advance, for both Class A shares and Founder’s Class shares.

Headlands Capital Secondary Fund, LP – Headlands Capital will receive from Headlands I a management fee in the amount of 0.3125% per quarter of committed capital during the investment period and 0.25% of NAV following the investment period, each payable quarterly in advance.

Headlands Capital Secondary Fund II, LP – Headlands Capital will receive from Headlands II a management fee in the amount of 0.3125% per quarter of committed capital during the investment

period and 0.25% of NAV following the investment period, each payable quarterly in advance. Headlands Offshore invests directly in Headlands II.

Headlands Capital Secondary Fund III, LP – Headlands Capital will receive from Headlands III a management fee in the amount of 0.3125% per quarter of committed capital during the investment period and 0.25% of NAV following the investment period, each payable quarterly in advance. Headlands Offshore III invests directly in Headlands III.

In the event that an advisory contract is terminated before the end of a management fee period, Headlands Capital will refund the overpayment of the management fee (computed on the basis of the number of days elapsed).

Carried Interest / Incentive Allocation

Headlands Strategic Opportunities Fund, LP – For the Class A shares, Headlands Capital Management, LLC, an affiliate of Headlands Capital, typically will receive from Headlands Strategic Opportunities Fund an incentive allocation of 20%, subject to a high-water mark, but there may be variations in the rate for different investors. For the Founder's Class shares, an affiliate of Headlands Capital will receive from Headlands Strategic Opportunities Fund an incentive allocation of 20%, subject to a hurdle equal to a 7% compound return, followed by a catch-up. The Founder's Class shares have a 2-year lockup period.

Headlands Capital Secondary Fund, LP – Headlands Capital Secondary Management, LLC, an affiliate of Headlands Capital, typically will receive from Headlands I carried interest of 12.5% of profits, subject to a hurdle equal to a 7% compound return, followed by a catch-up, but there may be variations in the rate for different investors.

Headlands Capital Secondary Fund II, LP – Headlands Capital Secondary Management II, LLC, an affiliate of Headlands Capital, typically will receive from Headlands II carried interest of 12.5% of profits, subject to a hurdle equal to a 7% compound return, followed by a catch-up, but there may be variations in the rate for different investors. Headlands Offshore invests directly in Headlands II.

Headlands Capital Secondary Fund III, LP – Headlands Capital Secondary Management III, LLC, an affiliate of Headlands Capital, typically will receive from Headlands III carried interest of 12.5% of profits, subject to a hurdle equal to a 7% compound return, followed by a catch-up, but there may be variations in the rate for different investors. Headlands Offshore III invests directly in Headlands III.

Expenses

The Fund Clients are each responsible for costs and expenses related to their own operations, which may include:

Fund Clients other than Headlands III and Headlands Strategic Opportunities Fund:

- fees, costs and expenses of custodians, attorneys, accountants, auditors, tax advisors, consultants, brokers, agents, third-party administrators, valuation firms and other professionals and service providers;
- all out-of-pocket fees, costs and expenses (which includes travel and meals), if any, incurred in identifying, developing, negotiating, structuring, monitoring, and, to the extent applicable, disposing of portfolio investments and in connection with unconsummated investment opportunities, including, without limitation, any financing, legal, accounting, advisory and consulting expenses in connection therewith;

- brokerage commissions, prime brokerage fees, registration fees and expenses, custodial expenses, other bank service fees and other investment costs, fees and expenses actually incurred in connection with portfolio investments;
- interest on and fees and expenses arising out of all borrowings made by such Client;
- costs of any (a) litigation, (b) director and officer liability, general partner liability or other insurance for such Client, its general partner, Headlands Capital and their affiliates and (c) any indemnification or extraordinary expense or liability relating to the affairs of such Client;
- any taxes, fees or other governmental charges levied against such Client and all expenses incurred in connection with any tax audit, investigation, settlement or review of such Client;
- expenses of any meeting of the investors or investor advisory committee, if any;
- costs and expenses incurred in connection with such Client's legal and regulatory compliance with U.S. and non-U.S. laws and regulations, including, without limitation, compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and registration pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"), filings under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") (including Form 13F, Form 13H, Section 16 filings, Schedule 13D filings and Schedule 13G filings), any forms, schedules, filings, information or other documents prepared with respect to the Foreign Account Tax Compliance Act, reports to be filed with the U.S. Commodity Futures Trading Commission and reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive;
- travel, entertainment and related expenses in connection with such Client's investment activities (including airfare, lodging, ground transportation, travel and meals); and
- expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provision.

For the avoidance of doubt, the expenses described above include broken deal expenses.

Headlands III:

Fees, costs, expenses, liabilities and obligations relating or attributable to:

- activities with respect to the developing, sourcing, investigating, structuring, organizing, negotiating, financing, refinancing, bidding on, consummating, acquiring, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, settling, taking public or private, selling, valuing, winding up, liquidating or disposing of, as applicable, portfolio companies and actual or prospective portfolio investments or seeking to do any of the foregoing, including, without limitation, any associated financing, legal, accounting, advisory, consulting, commitment, transaction, or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third party diligence software and service providers, consultants and similar professionals in connection therewith, and any fees, costs and expenses related to transactions that may have been offered to co-investors, whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- legal, tax, accounting, auditing, advisory, consulting, administration (including fees and expenses associated with Headlands III's third party administrators, if any), appraisal, investment banking, broker, dealer, intermediary, finder, underwriting (including both commissions and discounts), loan administration, private placement, agent, valuation,

certification, research, information, anti-money laundering and other professional or other services;

- brokerage, custodial, depository, trustee, record keeping, accounting, agent and other bank services and other similar services;
- financing, commitment, origination and similar fees and expenses;
- borrowings, other indebtedness of or guarantees made by Headlands III or its general partner on behalf of Headlands III, including, but not limited to, principal and interest with respect thereto and the arranging or attempted arranging thereof;
- any (a) litigation, governmental inquiry, investigation or proceeding (including any actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award, settlement or fines entered into in connection therewith), (b) directors and officers liability, errors and omissions liability, general partner liability, liability premiums and other insurance expenses for Headlands III, its general partner, Headlands Capital and their affiliates and (c) any indemnification or extraordinary expense or liability relating to the affairs of Headlands III;
- legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation related to the activities of Headlands III (including regulatory expenses of its general partner incurred in connection with the operation of Headlands III and legal fees and expenses therewith, expenses relating to its general partner's compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and expenses incurred in causing its general partner and/or Headlands Capital to register as an investment advisor under the Advisers Act and the maintenance of such registration), including, without limitation, reports, disclosures, filings and notifications prepared, distributed or filed in connection therewith (including, without limitation, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive, the Exchange Act (including Form 13F, Form 13H, Section 16 filings, Schedule 13D filings and Schedule 13G filings) and the Foreign Account Tax Compliance Act);
- distributions to Headlands III's investors and other expenses associated with the acquisition, holding and disposition of Headlands III's investments, including extraordinary expenses;
- organizational expenses;
- terminating, winding up and dissolving Headlands III and liquidating the assets of Headlands III;
- any taxes, fees or other governmental charges levied against Headlands III and all expenses incurred in connection with any tax audit, investigation, settlement or review of Headlands III;
- the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or other administrative, informational or similar reports, or other information, including fees and costs of any third party service providers and professionals related to the foregoing;
- reverse breakup, termination and other similar fees;
- filing, title, transfer, registration and other similar fees and expenses;
- printing, communications, marketing and publicity;
- any activities with respect to protecting the confidential or non-public nature of any information or data;
- amendments to, and waivers, consents or approvals pursuant to, the constituent documents of Headlands III, its general partner and any alternative vehicles thereto, including the preparation, distribution and implementation thereof;

- activities or proceedings of the investor advisory committee (including any reasonable costs and expenses incurred by representatives of Headlands III's general partner, members of the investor advisory committee, permitted observers and other persons in attending or otherwise participating in meetings of the investor advisory committee);
- complying with provisions in side letter agreements, including "most favored nations" provisions;
- annual investor meetings or other periodic, if any, meetings of the investors and any other conference or meeting with any investor, in each case, to the extent incurred by Headlands III, its general partner or their affiliates;
- travel costs, including airfare (i.e., first class, business class and/or private air travel), lodging, meals and ground transportation related to any of the expenses described above, including in connection with consummated and unconsummated investment and disposition opportunities; and
- other fees, costs, expenses, liabilities or obligations approved by the investor advisory committee.

For the avoidance of doubt, the expenses described above include broken deal expenses.

Headlands Strategic Opportunities Fund:

- fees, costs and expenses of custodians, attorneys, accountants, auditors, tax advisors, consultants, brokers, agents, third-party administrators, valuation firms and other professionals and service providers;
- legal, internal and external accounting, auditing, administrator and other professional expenses;
- transaction-related research expenses;
- custodian fees, taxes on securities transactions;
- interest on borrowed moneys, brokerage fees and commissions and any other similar fees;
- clearing expenses;
- due diligence expenses related to actual or potential investments (whether or not consummated);
- costs of any (a) litigation, (b) director and officer liability, general partner liability or other insurance for Headlands Strategic Opportunities Fund, its general partner, Headlands Capital and their affiliates and (c) any indemnification or extraordinary expense or liability relating to the affairs of Headlands Strategic Opportunities Fund;
- expenses incurred in connection with the preparation and delivery of reports of Headlands Strategic Opportunities Fund and any meetings with the partners of Headlands Strategic Opportunities Fund;
- extraordinary expenses;
- travel, entertainment and related expenses in connection with Headlands Strategic Opportunities Fund's investment activities (including, lodging, ground transportation, travel and meals); and
- expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provision.

For information about brokerage practices, see Item 12 below.

Co-Invest Funds

Subject to complying with the limited partnership agreement or other governing documents of the Fund Clients (the "Governing Documents"), Headlands Capital, in its sole discretion, may provide one or more investors, their affiliates and/or unaffiliated third parties approved by Headlands

Capital with the opportunity to co-invest with the Fund Clients (other than in their capacity as partners or members of a Fund Client) in one or more potential investments.

In allocating co-investment opportunities, subject to the Governing Documents of the Fund Clients, consideration may be given to all relevant factors, including without limitation the size of the transaction (e.g., a large transaction would exceed diversification or investment limits set forth by certain Fund Clients and/or investors or by Headlands Capital's internal investment guidelines), whether the investor(s) have co-investment provisions within their side letters, the ability to accommodate deal timing, or strategic considerations. Co-investment vehicles controlled by Headlands Capital will generally invest on the same terms and share expenses with the Fund Clients.

Headlands Capital receives management fees and performance fees with respect to Co-Invest Funds, although the terms of each Co-Invest Fund are subject to negotiation with the investors thereof and future Co-Invest Funds may or may not provide for the payment of a management fee and/or performance fee. Headlands Capital's management fees, performance fees and other compensation payable with respect to any Co-Invest Fund are established at the time of the formation of the relevant Co-Invest Fund and are highly negotiated with participating investors prior to making their respective investment, and such fees vary on a vehicle-by-vehicle basis. Investors in the Co-Invest Funds are encouraged to carefully review the applicable organizational documents for details concerning such fees.

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

Headlands Capital charges an annual incentive allocation, carried interest or performance fee (the "Incentive Allocation"). See "Carried Interest / Incentive Allocation" under "Item 5—Fees and Compensation" above.

The Incentive Allocation provisions create an incentive for Headlands Capital to make Client investments that are riskier or more speculative than would be the case in the absence of an Incentive Allocation based on performance of the Clients' portfolios. Differences in Client compensation arrangements may create a conflict of interest, including an incentive for Headlands Capital to disproportionately allocate time, services or functions to Clients paying an Incentive Allocation or Clients paying an Incentive Allocation at a higher rate, or allocate investment opportunities to such Clients. Notwithstanding any such potential conflicts, Headlands Capital will allocate investment opportunities to its Fund Clients in a manner that it believes to be fair and equitable.

With respect to Co-Invest Funds, the presence and participation of third-party co-investors in each Co-Invest Fund reduces the likelihood that Headlands Capital or its affiliate can negotiate to receive excess Incentive Allocation from such Co-Invest Fund at the expense of the applicable Fund Client participating in the same investment.

Item 7 – Types of Clients

Headlands Capital's Clients include pooled investment vehicles. Investors in the pooled investment vehicles include high-net worth individuals, family offices, trusts, endowments, foundations, and pension funds.

Headlands Capital requires that all investors in the pooled investment vehicles be "accredited investors." The minimum capital commitment from an investor in Headlands Strategic Opportunities Fund is \$1,000,000, in Headlands I is \$1,000,000, in Headlands II is \$1,000,000 and in Headlands III is \$5,000,000, although lesser commitment amounts in the Fund Clients may be accepted at the discretion of Headlands Capital or the Funds Clients' general partners. Investors in

the Co-Invest Funds are typically limited partners in the Fund Clients or third parties who have expressed an interest in, and have the ability and resources to, participate in such co-investment opportunities.

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

Investment Program and Strategies

Headlands Capital's investment objective for each of its Fund Clients is summarized below:

Headlands Capital Secondary Fund, LP, Headlands Capital Secondary Fund II, LP, and Headlands Capital Secondary Fund III, LP (collectively, the “Headlands Capital Secondary Funds”) – The Headlands Capital Secondary Funds seek to generate investment returns for investors principally by acquiring interests in private investment funds, including buyout, growth equity, venture capital and special situation funds through secondary market purchases. The Headlands Capital Secondary Funds may also acquire direct and indirect interests in operating companies through the secondary market.

Headlands Strategic Opportunities Fund, LP – Headlands Strategic Opportunities Fund seeks to generate investment returns for investors by building a concentrated, long-only portfolio of small cap, publicly-traded companies and to use a “constructive activist” approach to further grow shareholder value. Headlands Capital targets well-managed, cash flow-generating businesses, building proprietary knowledge derived from proprietary due diligence meetings to develop a differentiated, long-term investment thesis on its portfolio companies. Underscoring its conviction investing and collaborative activist philosophy, Headlands Strategic Opportunities Fund seeks to own approximately 8-12 core portfolio holdings at any time.

Market and Investment Risks

No Assurance of Investment Return.

Headlands Capital cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Fund Clients will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that expected returns of the Fund Clients will be achieved. An investment in the Fund Clients should only be considered by persons who can afford a loss of their entire investment. The Fund Clients' investments, by their nature, involve a high degree of financial risk. In making investments on behalf of its Fund Clients, Headlands Capital may use highly speculative investment techniques, including highly-concentrated portfolios, junior securities positions, control positions, illiquid investments, leverage and workouts. In addition, some of the Fund Clients' assets may be invested in derivative instruments. Such investments may expose the Fund Clients' assets to the risks of material financial loss, which may in turn adversely affect the financial results of the Fund Clients' portfolios.

Highly Competitive Market for Investment Opportunities.

The activity of identifying, completing and successfully disposing of attractive public and private investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that Headlands Capital will be able to locate and complete investments that satisfy each Fund Client's rate of return objectives or realize their values, or that Headlands Capital will be able to invest fully its Fund Clients' capital.

Risks Associated with Publicly-Traded Investments.

Headlands Capital expects to invest in publicly-traded securities or in investment funds that own publicly-traded securities. Headlands Capital's direct and indirect investments in securities of

publicly-traded companies will be sensitive to movements in the stock market and trends in the overall economy, including rises in interest rates. In addition, by investing in publicly-traded securities, the Fund Clients or the investment funds in which they invest will remain subject to federal and state securities laws which may, among other things, restrict the ability to sell a portfolio investment.

Risks Associated with Secondary Fund Investments.

The market for secondary investments has been evolving and is likely to continue to evolve. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Headlands Capital Secondary Funds and adversely affecting the terms upon which investments can be made. Accordingly, there can be no assurance that the Headlands Capital Secondary Funds will be able to identify sufficient investment opportunities or that they will be able to acquire sufficient secondary investments on attractive terms. In addition, in the cases where the Headlands Capital Secondary Funds acquire an interest in an investment fund in a secondary transaction, the Headlands Capital Secondary Funds may acquire contingent liabilities of the seller of such interest. More specifically, where the seller has received distributions from the relevant investment fund and, subsequently, such investment fund recalls one or more of these distributions, the Headlands Capital Secondary Funds (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the investment fund. While the Headlands Capital Secondary Funds may, in turn, be able to make a claim against the seller for any such monies so paid to the investment fund to the extent the Headlands Capital Secondary Funds have not waived such claim, there can be no assurances that the Headlands Capital Secondary Funds would have the ability to make such a claim or, if such a claim is made, there can be no assurances that the Headlands Capital Secondary Funds would prevail. Finally, in some instances, the Headlands Capital Secondary Funds have the opportunity to acquire a portfolio of investment funds from a seller on an “all or nothing” basis. Certain of the investment funds in the portfolio are less attractive than others, and certain of the sponsors of such investment funds are more familiar to Headlands Capital than others, or are more experienced or highly regarded than others.

Limited Information.

In general, the Fund Clients’ investments will be made based on information available to the public at large. By comparison, privately negotiated transactions, the type of transactions pursued by most private equity and corporate buyout funds, are usually completed based upon information gathered through contact with and access to the counter-party’s records, facilities and personnel. Therefore, this disparate amount of information may negatively affect the Fund Clients’ certainty of achieving a particular outcome in connection with its investments.

Reliance on Portfolio Company Management Teams.

Each Fund Client portfolio companies’ day-to-day operations will be the responsibility of such portfolio companies’ management teams. In addition, where a Fund Client is a passive investor in an investment vehicle such as a private equity limited partnership, the Fund Client is dependent on the manager of such investment vehicle for the day-to-day operations and fiduciary management of such vehicle and its portfolio companies. Although Headlands Capital will be responsible for monitoring the performance of portfolio investments, there can be no assurance that the existing management teams, or any successors, will be able to operate Fund Clients’ portfolio companies successfully.

Investments in Smaller Capitalization Companies.

Headlands Capital, specifically with respect to Headlands Strategic Opportunities Fund, intends to invest in the stocks of companies with smaller market capitalizations. While Headlands Capital believes that such investments often provide significant potential for appreciation, it recognizes that such investments may involve higher risks than investments in the stocks of larger companies.

For example, prices of smaller capitalization stocks are often more volatile than prices of larger capitalization stocks. Further, the risk of bankruptcy or insolvency of many smaller companies (with the attendant loss to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity. To the extent there is any public market for the securities held by the Fund Clients, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Such companies also may have shorter operating histories on which to judge future performance.

Non-Control Investments.

The Fund Clients are likely to hold a non-controlling interest in most of their portfolio companies and, therefore, may have a limited ability to protect positions in such companies. In these cases, the Fund Clients will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom Headlands Capital and the Fund Clients are not affiliated and whose interests may conflict with the interests of the Fund Clients.

Control Position Risk.

Notwithstanding that Fund Clients are likely to hold non-controlling interests in most of their portfolio companies, a Fund Client may make occasional investments to acquire control (or which may be considered controlling investments under applicable law) or exercise influence over management and the strategic direction of companies in which the Fund Client invests. The exercise of control over a company through a control position, or the service of an officer or employee of Headlands Capital or its affiliates as a director of such company, could (i) expose the assets of the respective Fund Client to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, the applicable Fund Client(s), directly, and the applicable investors, indirectly, would likely suffer losses in their investments. In general, Fund Clients will indemnify Headlands Capital and its affiliates for such claims.

Illiquid and Long-Term Investments.

Headlands Capital may make investments in securities that have limited liquidity. Some investments held by the Fund Clients may not be able to be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”) or in accordance with Rule 144 or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile and the Fund Clients may not be able to sell such investments when it desires, or, upon sale, to realize what it perceives to be their fair value. Further, companies whose securities are not publicly-traded are not subject to the disclosure and other investor protection requirements applicable to publicly-traded securities. Even where the Fund Clients hold publicly-traded securities, the Fund Clients’ position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity in the event that the Fund Clients wished to, or were required to, dispose of or reduce their position in such company by selling shares into the market. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Fund Clients’ investors. In the event that the Fund Clients acquire control positions in certain companies as discussed above or acquire an interest in certain companies where officers or employees of Headlands Capital serve as directors, the filing of various forms required by Section 16(b) of the Exchange Act as part of the process of selling shares owned by the Fund Clients may impact negatively the price of the shares that can be obtained by the Fund Clients. If the Fund Clients were forced to sell such an investment, they may not receive fair value therefor.

Leverage.

Certain of the Fund Clients' portfolio companies may have capital structures with significant leverage. Consequently the leveraged capital structure of such portfolio companies will increase such companies' exposure to adverse factors such as rising interest rates, downturns in the economy or deterioration in the business of such portfolio company or its industry, and may impair such companies' ability to meet their debt obligations. Additionally, the Fund Clients may leverage their investment positions by borrowing. Although borrowings by Fund Clients have the potential to enhance overall returns that exceed a Fund Client's cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund Client's cost of funds and the Fund Client may be forced to withhold distributions in order to repay such borrowings. In addition, borrowings by a Fund Client may be secured by the Fund Client's capital as well as by the Fund Client's assets. Failure to satisfy the terms of debt incurred by the Fund Clients can have negative consequences, including forced liquidation of Fund Clients' other investments in order to satisfy the borrower's obligations. Leverage may also take the form of trading on margin, which will result in interest charges that could be substantial. The use of leverage will have the effect of increasing the volatility of the Fund Clients' investments.

Risk of Limited Number of Investments.

Each Fund Client may participate in a limited number of investments and, as a consequence, the aggregate return of each Fund Client may be substantially adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification of each Fund Client's portfolio, either by geographic region, asset type or sector except as described in each Client's constituent documents. In circumstances where Headlands Capital, on behalf of a Fund Client, intends to refinance all or a portion of the capital invested in a portfolio company or transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Fund Client having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Foreign Investments.

Fund Clients may invest outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency fluctuations and associated conversion costs; (ii) differences between the U.S. and foreign securities markets, including volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision; (iii) certain economic and political risks, including potential restrictions on foreign investment and repatriation of capital and the possibility of expropriation or confiscatory taxation; (iv) differences between U.S. and foreign market contract terms (e.g. foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts); (v) the imposition of foreign withholding or other taxes with respect to such investment; and (vi) less developed corporate laws regarding fiduciary duties and the protection of investors.

Expedited Transactions.

Investment analyses and decisions by Headlands Capital may be undertaken on an expedited basis in order to take advantage of available investment opportunities. In such cases, the information available to Headlands Capital at the time of the investment decision may be limited, and Headlands Capital may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. Further, Headlands Capital may conduct its due diligence activities over a very brief period.

No Market for Limited Partnership Interests.

Limited partnership interests ("Interests") in the Fund Clients have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and

therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. Except in the limited circumstances described herein, Interests are not redeemable at the option of the holder and investors do not have the right to withdraw their capital. It is not contemplated that registration of the Interests in the Fund Clients will ever be effected. There will be no public market for Interests in the Fund Clients and none is expected to develop. Each investor will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution. Consequently, investors must be prepared to bear the risk of an investment in the Fund Clients for an extended period of time.

General Economic Conditions.

General economic conditions may affect the Fund Clients' portfolios and investment returns. Interest rates, currency rates, the price of securities, inflation, the participation of other investors in the financial markets, changes in laws, war, terrorism, natural disasters and catastrophic events may affect the value of investments made in the Fund Clients' portfolios. There is no assurance that any key trends or economic and market conditions for investing will continue to improve or not deteriorate. The Fund Clients' financial condition may be adversely affected by a significant general economic downturn. Headlands Capital may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Headlands Capital's business and operations and thereby could impact the Fund Clients' portfolios. Moreover, a sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Fund Clients' profitability, impede the ability of the issuers in which the Fund Clients invest to perform under or refinance their existing obligations, and impair the Fund Clients' ability to effectively exit its investments on favorable terms.

Possible Effect of Redemptions.

Substantial redemptions of the Interests could require Headlands Capital to liquidate investment positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of the Interests and achieve its Fund Clients' investment objectives. Such factors could adversely affect the value of the Interests redeemed and of the Interests that remain outstanding.

Expenses Ultimately Borne by the Investors.

Fees and expenses borne by the Fund Clients will directly or indirectly impact the NAV of the Interests of each Fund Client.

Line of Credit.

The Clients are typically parties to one or more subscription-based credit facilities and borrowings by the funds under such facilities will generally be secured by the Clients' investors' capital commitments as well as by the Clients' assets, subject to certain limitations, and the terms of such facilities may provide that during the continuance of a default under such facilities, the interests and distributions of the Clients' investors may be subordinated to such facilities. Investors may be required to execute an investor acknowledgement for the benefit of the lenders under the subscription credit facility and may be required to acknowledge their obligations to pay their share of indebtedness up to their remaining commitment. Use of a subscription-based credit facility may result in a higher reported internal rate of return for a fund than if the facility had not been utilized, and as a result of this and other factors (including that the interest rate on such borrowings is typically less than the rate of the preferred return (if any) and that such preferred return (if any) does not accrue on such borrowings, and only accrues on capital contributions when made) may present conflicts of interest and the general partner of a fund may make distributions prior to the repayment of outstanding borrowings. As a result, use of such facilities or other long-term leverage arrangements with respect to investments may reduce or eliminate the preferred return (if any) received by investors in a Client and provide the general partner of such Client with an incentive

to fund investments through long-term borrowings in lieu of capital contributions. Subject to the limitations in the governing documents of a Client, the use of a subscription-based credit facility by such Client is within the applicable general partner's discretion.

Cyber Security Breaches and Identity Theft.

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Headlands Capital's and the Fund Clients' and their respective portfolio companies' and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although Headlands Capital has implemented, and the portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Headlands Capital does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to Headlands Capital, the Fund Clients and/or their respective portfolio companies, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. Headlands Capital, the Fund Clients and/or their respective portfolio companies may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Headlands Capital's, the Fund Clients' and/or their respective portfolio companies' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to limited partners (and their beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of Headlands Capital, the Fund Clients and/or their respective portfolio companies. Such a failure could harm Headlands Capital's, the Fund Clients' and/or their respective portfolio companies' reputation, subject any such entity and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance.

United Kingdom Exit from the European Union.

Under the terms of a withdrawal agreement between the EU and the UK, the UK ceased to be a member of the EU on January 31, 2020. The withdrawal agreement provided for a transition period lasting until December 31, 2020, during which time the parties could negotiate the terms of a future trading relationship. During the transition period, the UK remained subject to EU law with access to the single market and the customs union, and thus retained privileges to provide financial services within the EU as well as maintaining tariff and quota free access for goods.

In late December 2020, shortly before the expiry of the transition period, the EU and the UK announced an agreement on an EU-UK Trade and Cooperation Agreement ("FTA"). The FTA will govern the trading relationship between the UK and the EU following the transition period. Broadly, the FTA provides for zero tariffs and zero quotas on all goods that comply with the

appropriate rules of origin, but is subject to the both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency. Importantly, upon the expiry of the transition period, the four freedoms which provide the foundation of the EU single market, namely, the free movement of persons, goods, services and capital, will no longer extend to the UK. The UK will regulate its own separate and distinct market from January 1, 2021.

UK regulated firms in the financial sector will be adversely affected following the transition period because the FTA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas, market access for those firms that trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, etc., and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or, e.g., in the case of firms providing financial services, even relocate or operate through an establishment in the EU.

Misconduct of Headlands Capital Personnel or Third-Party Service Providers.

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to Headlands Capital and its Fund Clients. Misconduct by employees or by third-party service providers could cause significant losses to Headlands Capital and its Fund Clients. Employee misconduct could include, among other things, binding a Fund Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses) or otherwise charging (or seeking to charge) inappropriate expenses to a Fund Client or Headlands Capital. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the funds' business prospects or future activities. Furthermore, because of Headlands Capital businesses and the regulatory regimes under which they operate, misdeeds by a Headlands Capital entity (or its personnel) may result in foreclosing a Fund Client's ability to conduct its activities in the manner otherwise intended. It is not always possible to deter misconduct by employees or service providers, and the precautions that Headlands Capital takes to detect and prevent this activity may not be effective in all cases.

Coronavirus and Public Health Emergencies.

As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is currently unknown. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are having a

particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and such Client's investments and could adversely affect a Client's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a Client and such Client's portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of a Client's investments, a Client's ability to source, manage and divest investments and a Client's ability to achieve its investment objectives, all of which could result in significant losses to a Client. In addition, the operations of a Client, its portfolio companies and Headlands Capital may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of a Client's portfolio companies, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, Clients are expected to incur heightened legal expenses which could similarly have an adverse impact to a Client's returns. For example, but not by limitation, a Client or its portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Client and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Client or its portfolio companies in the form of economic harm, data loss or other negative outcomes.

Force Majeure Risks / Natural Disasters.

A Client's portfolio investments (including their underlying portfolio companies) may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a portfolio investment or a counterparty to a Client or such portfolio investment) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a portfolio investment or a Client of repairing or replacing damaged assets resulting from such force majeure

event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally or in any of the countries in which a Client may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio investments or its assets, could result in a loss to a Client, including if its investment in such portfolio investment is cancelled, unwound or acquired (which could be without what the Partnership considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Client and its portfolio investments.

Social and Political Unrest.

Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level as well as rioting in some instances. Such activism, which has ranged from peaceful to in some instances, violent, has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID-19 pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could materially and adversely impact the securities, properties and other assets in which the Fund invests, as well as the core infrastructure space more generally.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies.

Before a Client makes investments, Headlands Capital will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental, and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present risks primarily relating to Headlands Capital's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, Headlands Capital will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Headlands Capital carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in a fund as being speculative and having a high degree of risk.

There can be no assurance that Headlands Capital or a Client will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor an investment on an ongoing basis. Conduct occurring at a Client's portfolio companies, even activities that occurred prior to a Client's investment therein, could have an adverse impact on such Client. In the event of fraud by any portfolio company or any of its affiliates, a Client may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller(s). Such inaccuracy or incompleteness may adversely affect the value of a Client's securities and/or instruments in such portfolio company. A Client will rely upon the accuracy and completeness of representations made by portfolio companies, their managers and/or owners and/or the seller(s) in the due diligence process to the extent reasonable

when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Counterparty Risk.

There is a risk that third parties that may owe one of Headland Capital's Clients or their portfolio companies money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. These parties may default on their obligations to a Client or its portfolio company due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into revolving credit lines or swap or other derivative contracts under which counterparties have long-term obligations to make payments to a Client or its portfolio company, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Also, any practice of rehypothecation of securities of a Client or its portfolio company held by counterparties could result in the loss of such securities upon the bankruptcy, insolvency or failure of such counterparties.

Hedging Policies/Risks.

In connection with the acquisition, holding, financing, refinancing or disposition of the Headlands Capital Secondary Funds' portfolio investments, the Headlands Capital Secondary Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices or currency exchange. Notwithstanding the foregoing, a Headlands Capital Secondary Fund will not sell securities or other assets short or enter into similar transactions other than for the purposes of hedging currency exposure or managing duration. The costs of such hedging techniques will be borne by the relevant Headlands Capital Secondary Fund. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Headlands Capital Secondary Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for such Headlands Capital Secondary Fund than if it had not entered into such hedging transactions.

Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry.

The current regulatory environment in the United States may be impacted by future legislative developments. On January 20, 2021, former Vice President Joseph R. Biden, Jr. became President of the United States. The full scope of President-elect Biden's legislative agenda is not yet fully known, but it may include certain regulatory measures for the U.S. financial services industry, an increase in tax rates and other changes to tax policies. The Democrats will control Congress starting on January 20, 2021. A Democrat-controlled Congress may adopt a more progressive platform, which may adversely affect the private equity industry. The uncertainty of future legislation could adversely impact the Partnership and its ability to achieve its investment objectives.

Risks Relating to Headlands Capital

Dependence Upon Key Individuals.

The success of a Fund Client's portfolio is expected to depend significantly upon the expertise, skill, and judgment of Mr. David E. Park, III, Mr. David W. Cost Jr., Mr. Brian Kim and Mr. Michael W. Ellis. If Mr. Park's, Mr. Cost's, Mr. Kim's, or Mr. Ellis's services were to become unavailable to the Fund Clients for any extended period of time, the Fund Client's performance could be materially adversely affected.

Co-Invest Funds

The above methods of analysis, investment strategies and risks apply to the Co-Invest Funds as well.

Item 9 – Disciplinary Information

Headlands Capital has no information applicable to this Item. Headlands Capital has no legal or disciplinary events that are material to an investor's or prospective investor's evaluation of its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Headlands Capital nor any of Headlands Capital's management persons are registered, or have an application pending to register as:

- a broker-dealer or registered representative of a broker-dealer; or
- a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Headlands Capital provides advisory and portfolio management services to its Clients: Headlands Strategic Opportunities Fund, Headlands I, Headlands II, Headlands III and the Co-Invest Funds.

Headlands Capital is affiliated with Headlands Capital Management, LLC, Headlands Capital Secondary Management, LLC, Headlands Capital Secondary Management II, LLC and Headlands Capital Secondary Management III, LLC. Each of such entities serves as a general partner of a Fund Client advised by Headlands Capital (referred to in this brochure as the "GP Entities"). The GP Entities are "relying advisers" of Headlands Capital in reliance on a position expressed by the SEC staff in 2012, and will not separately register with the SEC as investment advisers. The information in this brochure regarding the advisory services provided by "Headlands Capital" shall also apply to and include the GP Entities.

Headlands Capital does not recommend or select other investment advisers for its Fund Clients for compensation.

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

Headlands Capital holds its employees to a high standard of integrity and business practices. In serving its Clients and their investors, Headlands Capital strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its employees and Clients' securities transactions. Headlands Capital has a Code of Ethics (the "Code") to help govern personal trading activities. When persons covered by the Code engage in personal securities transactions, they are expected to adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Clients and their investors must be paramount; (b) personal transactions must be conducted consistent with this Code in a manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by this Code have certain reporting obligations of their personal securities transactions.

Headlands Capital will provide a copy of the Code to any investor or prospective investor upon request. Such a request may be made by submitting a written request to Headlands Capital at the address on the cover page to this brochure.

It is Headlands Capital's policy not to engage in transactions between its own accounts and Client accounts (e.g., buying from or selling any security to any Client) without disclosing to a Client before the completion of such transaction the capacity in which Headlands Capital is acting and obtaining the consent of the Client's investors or the Client's investor advisory committee (which is comprised of representatives of the investors in such Client), as applicable, to such transaction. While Headlands Capital endeavors at all times to act in the best interests of its Clients, investors should be aware that such transactions create a potential conflict of interest for Headlands Capital.

Other Matters

Allocation of Investment Opportunities: In connection with its investment activities, Headlands Capital may encounter situations in which it must determine how to allocate investment opportunities among its Clients and other persons, including but not limited to co-investment vehicles that have been formed to invest side-by-side with one or more of Headlands Capital's Clients (the investors in such co-investment vehicles may include investors in Headlands Capital's Fund Clients and/or individuals and entities that are not investors in any of Headlands Capital's Fund Clients) and investors whose co-investment Headlands Capital determines in good faith will provide strategic benefits for Headlands Capital's Fund Clients or their portfolio companies.

Subject to complying with the limited partnership agreement or other governing documents of the Fund Clients (the "Governing Documents"), Headlands Capital, in its sole discretion, may provide one or more investors, their affiliates and/or unaffiliated third parties approved by Headlands Capital with the opportunity to co-invest with the Fund Clients (other than in their capacity as partners or members of a Fund Client) in one or more potential investments.

In allocating co-investment opportunities, subject to the Governing Documents of the Fund Clients, consideration may be given to all relevant factors, including without limitation the size of the transaction (e.g., a large transaction would exceed diversification or investment limits set forth by certain Fund Clients and/or investors or by Headlands Capital's internal investment guidelines), whether the investor(s) have co-investment provisions within their side letters, the ability to accommodate deal timing or strategic considerations. Co-investment vehicles controlled by Headlands Capital will generally invest on the same terms and share expenses with the Fund Clients.

In exercising its discretion to allocate investment opportunities and fees and expenses, Headlands Capital may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Clients with differing fee, compensation or expense structures, Headlands Capital may have an incentive to allocate investment opportunities to Clients from which Headlands Capital or its affiliates may derive, directly or indirectly, a higher fee, compensation or other benefit.

Allocation of Expenses: Headlands Capital will have a conflict of interest in allocating certain expenses among partners of the Funds or among Clients, including but not limited to co-investment vehicles that have been formed to invest side-by-side with one or more of Headlands Capital's Fund Clients. Certain expenses may be suitable for (and/or relate to) only a particular Fund (or one or more particular investors in one of the foregoing vehicles) and borne only by such Fund (or investors). Notwithstanding the foregoing and subject to the terms of applicable Governing Documents, Headlands Capital expects to allocate all expenses (organizational or otherwise and

even if related only to particular vehicle(s) and/or investor(s) therein) related to the Funds (including fees, costs and expenses related to marketing in local jurisdictions and complying with regulations related thereto (which may include the engagement, organization and/or maintenance of certain entities)) amongst such Funds, accounts and vehicles on a pro rata basis based on capital commitments, invested capital or available capital, as applicable, or in a different manner if Headlands Capital determines in good faith that doing so is more equitable or appropriate under the circumstances. Headlands Capital will make such judgments in its discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. As a result of the foregoing, investors in a Fund may bear a greater share of expenses than if a different allocation methodology were utilized.

Broken Deal Expenses: Co-investors may not bear their share of broken deal expenses (including, without limitation, commitment fees, legal, tax, accounting, travel and entertainment, advisory, consulting and printing expenses and any liquidated damages, reverse termination fees or similar payments) for unconsummated transactions and in such instances such costs and expenses may be borne by Fund Clients.

Carried Interest/Performance-Based Compensation: The existence of performance based arrangements may create an incentive for Headlands Capital to make more risky investments on behalf of the Clients than it would otherwise make in the absence of such performance-based arrangements. The payment by some, but not all Clients of carried interest or performance allocations or fees or the payment of such amounts at varying rates will, in certain cases, create an incentive for Headlands Capital to disproportionately allocate time, services or functions to Clients paying carried interest or performance allocations or fees or paying such amounts at a higher rate, or allocate investment opportunities to such Clients. Further Headlands Capital may, in its sole discretion, agree to reduce or waive fees or carried interest with respect to certain limited partners and may allocate a portion of the carried interest to one or more third parties, including investors. In such instances, the relevant general partner will have a reduced incentive to seek to maximize the respective Client's returns and as a consequence may devote less time and attention to the management of such Client or allocate investment opportunities to higher fee-paying vehicles, which may reduce the returns of such Fund Client's limited partners.

Personal Trading and Other Business Activities: The managing partners, partners, members, officers, employees, affiliates of such persons and relatives of such persons of Headlands Capital may trade in securities for their own accounts, subject to pre-clearance restrictions and reporting requirements as may be required by law or Headlands Capital's policies, or otherwise determined from time to time by Headlands Capital, as applicable. Subject to the governing documents of the Clients, Headlands Capital and such persons may conduct any other business, including any business within the securities industry, whether or not such business is in competition with a Client. Headlands Capital evaluates all such Outside Business Activities of itself and its employees, including any business within the securities industry, on a case-by-case basis and will determine whether to prohibit participation the outside business activity or develop additional policies and procedures to mitigate any conflict of interest.

Material Non-Public Information: Headlands Capital (or its employees) in connection with their other activities may acquire confidential or material non-public information or otherwise be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold. An officer, employee or other representative of Headlands Capital may serve as a director of the Funds' public investments. As a result, Headlands Capital (through its representatives or otherwise) may receive or be deemed to receive information that would restrict

its ability to cause the Funds to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the ability of the Funds to buy or sell securities.

Side Letters: The general partner of a Client of Headlands Capital may enter into side letters or other similar agreements with certain investors in connection with their admission to such Client without the approval of any other investor. Such side letters or other similar agreements may alter and/or supplement the terms of such Client's governing documents in a manner that makes the terms applicable to such investors more favorable than those applicable to other investors. Such rights or terms in any such side letter may include, without limitation, (i) fee arrangements with respect to such investors; (ii) excuse rights applicable to particular investments; (iii) reporting obligations of the applicable general partner; (iv) waiver of certain confidentiality obligations; (v) consent of the applicable general partner to certain transfers by such investor; (vi) special rights with respect to co-investment; (vii) rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor; (viii) additional obligations and restrictions of the applicable general partner and a Client with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular investors; (ix) agreements to assist with the applicable tax filings and (x) certain obligations and restrictions on the applicable general partner with respect to the exercise of its discretion on certain matters.

Other Activities and Relationships: Headlands Capital's investment executives (including its founders) may serve as members of the boards of directors of various companies and may participate in other activities outside of Headlands Capital. Conflicts may arise as a result of such activities. The possibility exists that the companies with which one or more of the investment executives (including Headlands Capital's founders) may be involved could engage in transactions that would be suitable for a Client.

Portfolio Investment Related Fees: Headlands Capital and its affiliates may receive certain fees from its Clients' portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., transaction, directors', break-up and monitoring fees). Except as set forth in the term sheet with respect to any particular Client, investors will receive no benefit from any such fees paid to Headlands Capital and its affiliates, and such fees will not offset management fees.

Valuation Matters: The fair value of all investments or of property received in exchange for any investments will be determined by the general partner of a Client in accordance with the applicable organizational documents of such Client. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of investments will, under certain circumstances, affect the amount of management fees payable to the Headlands Capital. The valuation of investments may also affect the ability of Headlands Capital to raise successor funds. As a result, there may be circumstances where the general partner of a Client is incentivized to determine valuations that are higher than the actual fair value of investments.

Item 12 – Brokerage Practices

Headlands Capital generally has authority and discretion to select broker-dealers and to establish brokerage accounts with such broker-dealers to execute investment transactions initiated by Headlands Capital and for the selection of the markets in which the transactions will be executed. In doing so, Headlands Capital (i) is not generally obligated to solicit competitive bids for each transaction; (ii) shall have no obligation to seek the lowest available commission cost to its Clients; and (iii) may reject any request by a Client or investor in a Client for directed brokerage that

Headlands Capital reasonably believes to be inconsistent with its duty to seek to achieve best execution.

Transactions will be allocated to brokers and dealers on the basis of various factors and not necessarily lowest pricing. Subject to best execution, in selecting brokers and dealers (including prime brokers), Headlands Capital may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; access to meetings with public company management teams, including invitations to investment conferences; access to deal flow; access to investment research and research analysts; the brokers' or dealers' facilities; reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment and commitment of capital. In negotiating commission rates, Headlands Capital takes into account the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker (as described more fully below), even though a Client may or may not in any particular instance be the direct or indirect beneficiary of the research or other services provided.

Soft Dollar Benefits and Other Economic Benefits

Headlands Capital generally has authority and discretion to direct its Fund Clients' brokerage to firms that furnish or pay for quotation and/or office equipment, recordkeeping, research, research-related services, and other services outside of the "safe harbor" provided by Section 28(e) of the Exchange Act, provided that Headlands Capital believes that such "soft dollar" arrangements are consistent with standards of fiduciary duty applicable to itself. While Headlands Capital has the authority to utilize such soft dollar arrangements, it does not currently do so.

In selecting broker-dealers for its Clients, Headlands Capital generally considers the amount and nature of research, execution and other services provided by brokers as well as the extent to which such services are relied on, and attempts to allocate a portion of the brokerage business of its Clients' investments, even though an account may or may not in any particular instance be the direct or indirect beneficiary of the services provided. Headlands Capital may derive substantial direct or indirect benefit from these soft dollar services, particularly to the extent Headlands Capital may in the future use soft dollars to pay for expenses that it would otherwise be required to pay. Therefore, Headlands Capital may have an incentive to select a broker-dealer based on its interest in receiving the research or other products and services, rather than on Clients' interests in receiving the most favorable execution.

Headlands Capital is not required to allocate soft dollar or other economic benefits pro rata or on any other equitable basis among the Clients it manages. Headlands Capital is not required to allocate either a stated dollar or stated percentage of its brokerage business to any broker for any minimum time period, and will review such relationships from time to time.

The Clients maintain accounts at Goldman Sachs, their prime broker, through which Clients may execute trades, borrow securities and maintain custody of their securities. Additionally, Headlands Capital may direct its Clients to execute trades with BTIG, LLC.

Headlands Capital reserves the right, in its sole discretion, to change the brokerage and custodial arrangements described above without further notice to investors.

Item 13 – Review of Accounts

Typically, all accounts are managed and reviewed on an ongoing basis to ensure appropriate exposure and risk levels based on market conditions. Asset allocation, cash management, market prospects and individual issue prospects are all considered. Particular attention is given to changes in company earnings, industry, and company outlook, market outlook and price level. Mr. David E. Park, III, Mr. David W. Cost Jr., Mr. Michael W. Ellis and Mr. Brian Kim are responsible for reviewing the investment activities of the Clients to ensure that its investments activities are consistent with the investment thesis outlined in each Client's confidential offering memorandum and/or organizational documents.

As further described in Item 14, at the end of each fiscal year, each of the Clients has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each investor in a Client after the end of each fiscal year. Unaudited quarterly capital account statements will be provided to each investor in a Client.

Item 14 – Client Referrals and Other Compensation

Headlands Capital does not receive any economic benefit from a person who is not a Client for providing investment advice or other advisory services to the Clients.

Headlands Capital may compensate certain third party marketers with a portion of the management and/or performance fee, pursuant to a written agreement, for investor referrals to the Clients. All such referral arrangements will be fully disclosed to prospective investors at the time of solicitation.

Item 15 – Custody

Headlands Capital is deemed to have custody of its Clients' funds because its affiliates act as the general partners (or similar managing role) to its Clients. Client assets are (i) held in the name of a Client, or in an account for the benefit of such Client, by an independent qualified custodian or (ii) private, uncertificated securities recorded on the books and records of the issuer in the name of a Client.

As noted above, the custodian of each Client is a "qualified custodian" as defined in Rule 206(4)-2 of the Advisers Act.

Headlands Capital obtains custodial, clearing, settlement and related services on behalf of its Clients through what is known as a "prime brokerage" arrangement. Under that arrangement, a single brokerage firm (the "Prime Broker") maintains custody of each Client's assets (either directly or through its clearing brokerage firm). The Prime Broker is a "qualified custodian" and maintains custody of each Client's funds and securities in a separate account for such Client. At the end of each fiscal year, each of the Clients has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each investor in a Client after the end of each fiscal year. Unaudited quarterly capital account statements will be provided to each investor in a Client.

Item 16 – Investment Discretion

Headlands Capital typically has discretionary investment management authority for its Clients. While the General Partner (or similar managing entity) of a Client is responsible for the management, policies and operations of such Client, such General Partner (or similar managing entity) grants authority to Headlands Capital to manage and/or make investment recommendations and monitor investments, as more fully described in the advisory agreement executed among the

relevant Client and Headlands Capital at the outset of the advisory relationship. In all cases, however, this discretion is to be exercised in a manner consistent with the investment strategy and objectives of the relevant Client. When making investment recommendations, Headlands Capital observes the investment policies, limitations and restrictions that are applicable to the relevant Client's account.

As the investment manager for the Clients, Headlands Capital has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the Clients' accounts;
- amount of securities to be bought or sold for the Clients' accounts;
- broker or dealer to be used for a purchase or sale of securities for the Clients' accounts; and
- commission rates to be paid to a broker or dealer for the Clients' securities transactions. Each investor authorizes such discretion in each Client's organizational documents.

Item 17 – Voting Client Securities

Headlands Capital has adopted policies and procedures that address generally the guidelines it expects to follow in the exercise of its voting authority over proxies it receives on behalf of Clients. Headlands Capital will vote Client proxies in the best interest of its Clients. Headlands Capital will consider a number of factors to determine whether exercising the Clients' voting rights as to its securities is in the relevant Client's best interest, such as whether the securities are being held for a short or long period of time.

When voting a proxy on behalf of a Client, Headlands Capital will generally follow its voting guidelines. Headlands Capital attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between Headlands Capital and a Client, Headlands Capital will seek to resolve the conflict and vote the proxies in a manner that is in the relevant Client's best interest. Headlands Capital will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by submitting a written request to Headlands Capital at the address on the cover page of this brochure.

Item 18 – Financial Information

Headlands Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients or investors in the Clients. Headlands Capital has not been the subject of a bankruptcy petition. Headlands Capital does not require or solicit payment of \$1,200 or more six months or more in advance.

Item 19 – Requirements for State-Registered Advisers

Headlands Capital is not registered with any state. Therefore, Headlands Capital has no information applicable to this item.