

Part 2A of Form ADV
Crescent Cove Capital Management, LLC
Crescent Cove Advisors, LP
The Brochure

Item 1 - Cover Page

November 11, 2021

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This Brochure provides information about the qualifications and business practices of Crescent Cove Capital Management, LLC (“CCCM”) and Crescent Cove Advisors, LP (“CCA”, and together with CCCM, collectively referred to as the “Advisers” and each an “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (415) 800-2289. The information contained in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any State Securities Authority.

Additional information about Crescent Cove Capital Management, LLC and Crescent Cove Advisors, LP is available on the SEC’s website at www.advisersinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 - Material Changes

This Item discusses only specific material changes that have been made to the Adviser's Brochure since the last annual updating amendment. Since the last updating amendment filed on May 4, 2021, Yulia Sali, Controller, has assumed the role of Chief Compliance Officer. Additionally, Crescent Cove Advisors, LP has been added as a relying adviser to Crescent Cove Capital Management, LLC and also offers a special situation debt opportunities strategy with a focus on the lower middle market, in which is more fully described below.

Our Brochure may be requested by contacting Yulia Sali, the Advisers' Chief Compliance Officer at (415) 795-8207.

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Item 4 - Advisory Business

- A. Crescent Cove Capital Management, LLC (“CCCM”) is a Delaware limited liability company and has its principal place of business located in San Francisco, CA. Crescent Cove Advisors, LP (“CCA”, and together with CCCM, collectively referred to as the “Advisers” and each an “Adviser”) is a Delaware limited partnership who also shares a principal place of business with CCCM in San Francisco, CA. The Advisers provide discretionary investment advisory services to private investment funds for sophisticated, qualified investors (the “Funds” or the “Clients”).¹

The Advisers were formed in 2016 by their founder, Jun Hong Heng (“Principal”, “Chief Investment Officer”, & “Managing Member”).

- B. The Advisers primarily invest in special situation debt opportunities with a focus on the lower middle market. The Advisers invest in private growth-oriented companies generally based in the United States and Canada through illiquid credit and equity investments across such companies’ capital structures. The Advisers utilize credit-oriented instruments, while seeking opportunities with global downside potential and the possibility of equity-like returns and, through the use of flexible capital, provides solutions in short-term transitional situations such as recapitalizations and acquisitions.

While each of their Clients will follow the general strategy stated above, the Advisers may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client’s (i) confidential offering memorandum or separate account agreement (as applicable) and (ii) governing documents (referred to collectively as “Offering Documents”).

The information provided in this Brochure about the investment advisory services provided by the Advisers is qualified in its entirety by reference to the Offering Documents.

- C. The Advisers do not participate in wrap fee programs.
- D. As of September 30, 2021²⁰²¹, CCCM manages \$145,125,185.00 in Client assets, all of which is managed on a discretionary basis.

As of October 31, 2021, CCA manages \$108,174,208.00 in Client assets, all of which is managed on a discretionary basis.

¹ As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the fund itself and not an investor in the fund.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Advisers are compensated in connection with providing advisory services to their Clients. The Advisers may enter into different fee arrangements on a Client-by-Client basis.

Management Fees. The fees and expenses associated with each Client account will be negotiated with each Client and are described in detail in each Client's Offering Documents. Generally, the Adviser is entitled to a management fee, which is paid by Fund investors and may vary depending on the interest held by the applicable investor, at an annual rate ranging from 1-2%.

Carried Interest. The Adviser will receive a performance fee (referred to as "Carried Interest") based on net profits. The Carried Interest for each Client is specific to the offering documents for each Client. Generally, the General Partner of each fund is entitled to receive an allocation of net profits subject to limited partners receiving all capital contributions, a stated preferred return, and in accordance with any other applicable provisions in the relevant offering documents.

Client Expenses. The Adviser is responsible for all salaries, wages, and fringe benefits of the Adviser's employees, rentals payables for space used by the Adviser, any equipment leases and purchases, and any related account and tax costs and expenses. Clients are responsible for their allocation portion of all other costs and expenses as expressly outlined in each of the Funds' offering documents.

- B. Management Fees from the Fund are deducted directly from the Client's capital and payable quarterly in advance.
- C. Clients will incur brokerage and other transaction costs. Item 12 of this brochure discusses how the Advisers select brokers and determines the reasonableness of their compensation. The direct expenses borne by each Client are described in more full detail in each Client's Offering Documents.
- D. Management fees are paid quarterly in advance. Quarterly installments for any period less than a full quarter shall be pro-rated on the basis of the actual number of days in the period.
- E. Other than as described above, neither the Advisers nor any of their supervised persons receive any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, the Advisers receive performance-based fees or allocations from Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make more speculative investments, or to take, or not take, certain actions with respect to underperforming or non-performing investments, than it would otherwise make in the absence of such performance-based compensation. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Advisers will implement policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

The Advisers provide investment advisory services to private investment funds for sophisticated, qualified investors.

Acceptance of Fund account relationships is determined on a case-by-case basis.

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

Investment Strategy Overview and Methods of Analysis

The Advisers' investment strategy is summarized below and detailed in the governing documents for each Client.

The Advisers primarily invest in special situation debt opportunities with a focus on the lower middle market. The Advisers invest in private growth-oriented companies generally based in the United States and Canada through illiquid credit and equity investments across such companies' capital structures. The Advisers utilize credit-oriented instruments, while seeking opportunities with global downside potential and the possibility of equity-like returns and, through the use of flexible capital, provides solutions in short-term transitional situations such as recapitalizations and acquisitions.

Risk of Loss

The Advisers may employ certain investment strategies that depend upon the reliability and accuracy of the Advisers' analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Funds may not perform as anticipated, which could result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective investors should carefully review the risks described in the applicable Client's offering documents. Any defined terms specified below are defined within the Client's offering documents.

No assurance of investment return

Neither the Manager nor the General Partner can provide assurance that the Fund will be able to choose, make or realize investments in any particular company or portfolio of companies. Moreover, while the type of investments that the Fund intends to make offers the possibility of substantial returns, such investments also involve a high degree of financial risk and can result in substantial or total capital losses. In addition, the Fund's targeted return is based on certain expectations regarding the terms of investments. There can be no assurance the Fund will be able to obtain the expected financial terms on the targeted investments. Specifically, due to the possibility of insufficient demand, oversupply of liquidity, or both, the Fund may not be able to achieve the projected interest margins and additional returns. Accordingly, there can be no assurance that the Fund will achieve its targeted or projected return.

In addition, there can be no assurance that the Fund 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 in this Memorandum. The performance and appreciation of the investments that comprise the Fund's investments will depend on the successful operation of the companies or projects in which the Fund invests, prevailing interest rates, and other market conditions over which the Manager and the Fund will have no control. Returns generated from the Fund's investments may not adequately compensate

Limited Partners for the business and financial risks assumed, and a Limited Partner may lose all or a part of its investment in the Fund.

Reliance on General Partner and Manager

The Manager will provide management and advisory services to the Fund. Investors will not make decisions with respect to the management, disposition or other realization of any investment, or decisions regarding the Fund's business and affairs. Consequently, the success of the Fund will depend, in large part, upon the skill and expertise of the Manager. Furthermore, the investment professionals will not focus exclusively on the Fund and will have responsibility for other managed investment funds and other client accounts with different strategies.

Investment Due Diligence and Investment Research

When conducting due diligence and investment research, the Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence and investment research process in varying degrees depending on the type of investment. When conducting due diligence and investment research and making an assessment regarding an investment, the Manager may rely on information provided by such persons, or by the management of the target of the investment or their advisors. The due diligence investigation and investment research that the Manager 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, may lead to inaccurate or incomplete conclusions, or may be manipulated by fraud. Moreover, such an investigation will not necessarily result in the investment being successful.

Competition for Investment Opportunities; Difficulty of Locating Suitable Investments and Meeting Investment Objectives

Each year a number of hedge funds, private equity funds, specialized funds and similar funds are formed with large sums of capital, setting out to exploit public and private opportunities in almost all global markets and as a result, expected investment returns and the number of available investment opportunities are driven down. The Fund may be at a competitive disadvantage with its competitors in a particular sector or investment, as some of them have greater capital, lower targeted returns, a greater willingness to take on risk, more personnel or greater sector or investment strategy specific expertise. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives and there is no assurance as to the timing of investments. The Manager expects the Fund to benefit from its relationships in the venture capital industry and experience making special situations investments; however, there can be no assurance that the Manager will be able to maintain or draw upon such relationships, which could have an adverse effect on the ability of the Fund to find suitable investments and otherwise achieve its investment objective. Furthermore, the Manager will emphasize or de-emphasize different aspects of its investment strategy from time to time, and refine or add to the Fund's investment strategy, to respond to changes in

market conditions, and there can be no assurance that the Manager will follow the investment strategy and process described herein for every investment.

Investment Methodology

The Fund may employ certain strategies that depend upon the reliability and accuracy of the Manager's analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Fund may not perform as anticipated, which could result in substantial losses.

Identification of appropriate investments

The success of the Fund as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in regions where the Fund may invest, and other factors outside the control of the Fund or the Manager. In addition, the Fund may find itself in competition with other funds that have entered or may enter its markets or with private equity funds and financial institutions that may well be willing to extend financing on terms that are more favorable to the portfolio company than the Manager believes are appropriate in light of the risk of the investment. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Fund or the Fund will be able to invest fully its Capital Commitments.

Concentration of investments

Although it is intended that the Fund's investments will be diversified, all or substantially all investments by the Fund will be in assets primarily in the United States region, and therefore particularly exposed to the risks attendant to investments in that region. Except as otherwise described herein, investors generally have no assurance as to the degree of diversification of the Fund's investments, either by geographic region, asset type or sector and accordingly, a significant portion of the Fund's investments may be made in relatively few countries, asset types, security types or industry sectors. Any such concentration of risk may increase losses suffered by the Fund, which could have a material adverse effect on the Fund's overall financial condition. Even when the Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Fund faces concentrated exposure to certain risks. Conversely, the Manager may encounter unexpected changes in the correlation of assets or markets, or basis risk due to imperfectly matched debt maturities and the like, which confound their attempts to hedge or limit risk and result in investment losses. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Although the Manager attempts to identify, monitor and manage significant risks, these efforts may not necessarily take all risks into account and there can be no assurance that these efforts will be effective. Any inadequacy or failure in the Manager's risk management efforts could result in material losses for the Fund.

Limited liquidity of the Fund's investments

By their nature, investments in private funds are generally illiquid and involve a long holding period. The majority of the investments of the Fund have no active secondary market for debt, equity securities or equity options, warrants, or other equity participation features of the kind the Fund intends to acquire. There are a variety of methods by which unlisted investments may be realized, such as amortization of debt securities, the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant government approvals. However, there can be no guarantee that such realization can be achieved and the Fund's investments may remain illiquid beyond the Fund's term.

Exits of investments may also be limited by economic and political factors, or by conditions that are unfavorable for the sale of debt or equity of issuers in particular industries. In addition, the Fund may be legally or contractually prohibited from disposing of an investment at a time it might otherwise seek to do so.

The Manager regularly tracks the expected liquidity and realization date of each Fund investment. The Manager shall make investments on behalf of the Fund with reference to the remaining duration of the Commitment Period of the Fund.

Distressed investing

The Fund may invest in securities and private claims and obligations of entities that are experiencing significant financial or business difficulties. The Fund may lose all or a substantial portion of its investment in such distressed companies or may be required to accept cash or securities with a market value of less than the initial investment. One of the risks of investing in distressed entities is the difficulty of obtaining information as to the true condition of such issuers. Distressed company investments may also be adversely affected by state and federal laws relating to fraudulent conveyances, voidable preferences, lender liability and a court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to erratic changes and above average price volatility, and the spread between the bid and offer prices of such securities may be greater than normally expected.

No control of portfolio funds or portfolio companies

The Fund expects to invest some of its assets through portfolio funds. It is anticipated that the portfolio funds will be formed and managed by third-party fund managers and that the Manager will not control such portfolio fund. The Fund may invest in minority positions of portfolio companies and in portfolio companies for which the Manager has no right to exert significant influence. In such cases, the Fund will be particularly reliant on the existing management and board of directors of such portfolio companies, which may include representatives of other investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. The Fund may co-invest with third parties. The Fund may have less ability to control its investment in a company in such a situation and therefore may have a limited ability to protect its position therein. Such investments may

involve risks not present in investments where a third party is not involved, including dysfunctional management, increased costs, greater illiquidity, the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or investment objectives which are inconsistent with those of the Fund, or may be in a position to take or block action, contrary to the Fund's investment objectives. The Fund may be subject to various costs and fees relating to such ventures, including on occasion additional performance-based or asset-based fees or allocations. In addition, the Fund may in certain circumstances be liable for the actions of its third party partners or co-investors.

Reliance on Portfolio Company Management Teams

The day-to-day operations of the companies in which the Fund invests will be the responsibility of such company's management team. Although the Manager will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will be able to operate the company successfully, or in a way that is consistent with the Fund's investment objectives. In addition, the Fund will generally participate in the capital structure of the companies on the basis of financial projections for such companies. Projected operating results will normally be based in part on the judgment of the management of the portfolio company. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections. In circumstances in which the Manager relies on information from corporate management, the Fund may be subject to the risk of dysfunctional or fraudulent management and/or accounting irregularities.

Inability to Make Follow-On Investments

Following its initial investment in companies or assets, the Fund may be called upon to provide additional funds to any such investment or may have the opportunity to increase its investment in successful operations. There can be no assurance that the Fund will have sufficient resources or will otherwise be able to make follow-on investments. The Manager may elect not to make follow-on investments in its sole discretion. Any decision by the Manager not to make follow-on investments or the Fund's inability to make them may have a substantial negative impact on the companies or assets in need of such an investment, or may result in missed opportunities for the Fund to increase its participation in successful operations, or to protect against detrimental dilution of its interest in an investment.

Litigation and Regulatory Investigations

The General Partner anticipates that during the term of the Fund, the Manager, their affiliates, or the Fund may be named as defendants in civil proceedings. Litigation or threats of litigation consume time and resources and jeopardize the successful closing of transactions. Moreover, the outcome of such proceedings may materially adversely affect the value of

portfolio positions, may be impossible to predict and may continue unresolved for long periods of time. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets. Litigation may also arise where an acquisition or restructuring transaction or proxy solicitation is opposed by the subject company's management. Such litigation involves substantial uncertainties and may impose substantial delay, cost and expense on the company participating in the transaction.

As investment advisers and capital markets participants, and otherwise, the Manager expects to have interactions with and inquiries from regulators from time to time, including but not limited to matters related to the Fund, the Manager and their affiliates.

Operating and financial risks of portfolio companies

Portfolio companies may be highly leveraged. Leverage may have important consequences to these issuers and the Fund as an investor. These portfolio companies may be subject to restrictive financial and operating covenants. Leverage may impair the ability of these portfolio companies to finance their future operations and capital needs. As a result, the flexibility of these portfolio companies to respond to changing business and economic conditions and to business opportunities may be limited. In addition, a portfolio company with a leveraged capital structure will be subject to increased exposure to adverse economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that portfolio company or its industry.

In the event that a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Fund's investment in a portfolio company could be significantly reduced or even eliminated. Portfolio companies may require additional financing (including leverage) from sources outside the Fund to satisfy their capital requirements. The amount of additional financing needed will depend upon the business objectives and strategy of the particular company. The availability of capital may be a function of capital market conditions that are beyond the control of the Fund or any portfolio company. There can be no assurance that a portfolio company will be able to predict accurately its capital requirements or that additional funds will be available from the desired source or from any sources or on terms favorable to the portfolio companies.

Moreover, portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

Investments in less established companies; risk of fraud

Portfolio companies may be smaller, less established companies or companies that are not supported by well-known international financial sponsors or corporates. Investments in such companies may involve greater risks than those associated with investments in more

established companies. For example, such companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. Less established companies tend to have lower capitalizations and fewer resources (including cash) and, therefore, often are more vulnerable to funding shortfalls and financial failure. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Fund invests, the Fund may suffer a partial or total loss of capital invested in that company.

Portfolio company management risks

Although the Manager will be responsible for monitoring the performance of each investment, it is possible that a portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team, and not under the control of the Fund or Manager. There are circumstances in which the Fund may have limited or no control rights in the portfolio company (for example, in circumstances where the Fund holds a small position in a listed company). There can be no assurance that the existing management team, or any successor, will be able to operate such portfolio company successfully. The success of some companies will depend on the management talents and efforts of one person or a small group of persons whose death, disability, resignation or limited availability could adversely affect the company's business.

Environmental liability

The Fund may be exposed to substantial risk of loss from environmental claims arising from investments made in companies with undisclosed or unknown environmental problems or with inadequate reserves, as well as from occupational safety issues and concerns. Under various laws, ordinances and regulations, an owner of assets may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability, therefore, as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the assets or to borrow funds using such assets as collateral, which could have an adverse effect on the Fund's return from such investments. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Fund to such liabilities.

Political risks

Changes in political, social and economic conditions could have substantial impact on the Fund's investments. Such potential changes include, but are not limited to, (a) currency exchange rate fluctuations, (b) exchange control regulations, (c) risks associated with different (and lower quality) information available, (d) higher rates of inflation, (e) greater governmental involvement in the economy, (f) stricter or more expansive governmental

regulations, (g) contraction of economies, in particular, loss of consumer confidence and an economic slowdown in the markets in which the portfolio companies operate, (h) changes in tax rates or (i) changes in the structure of and countries making use of certain currency, which may impact the financial performance of the Fund and the value of its investments.

Legal and regulatory risks

Government counterparties may have the discretion to change or increase regulation of a portfolio company's operations, or implement laws or regulations affecting the portfolio company's operations, separate from any contractual rights it may have. A portfolio company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business, and because its business may provide basic, everyday services, and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. There can be no assurance that the relevant governmental entities will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of the Fund's investments.

The Fund may seek to acquire a significant stake in certain securities or instruments and may invest in certain sectors that are subject to special regulatory oversight. In such event, the Fund may be required to file a notification with a governmental agency, seek regulatory approval or comply with other regulatory requirements. These requirements may result in a delay in, or prohibit, the acquisition of an investment. Compliance with regulatory requirements may result in additional costs to the Fund. Such restrictions may also restrict or delay the Fund's ability to liquidate an investment.

Investment and Trading Risks

All investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program will be successful. There is no assurance that the Fund will be able to generate positive returns for its investors or that the returns will be commensurate with the risks of investing in companies, securities and instruments and strategies described herein. There can be no assurance that the Fund's returns will not be correlated with a traditional portfolio of stocks or bonds. The Fund's investment program may utilize such investment techniques as leverage, margin transactions, swaps, limited diversification, futures, forward contracts, credit derivatives and options contracts, which practices can, in certain circumstances, magnify the adverse impact of market moves to which the Fund may be subject or cause the Fund's net assets to appreciate or depreciate at a greater rate. The Fund may invest in highly volatile securities or markets, which could impair the Fund's profitability or result in losses.

Transitional or Restructuring Situations

The Fund is likely to invest in companies involved in (or that are the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies, refinancing and similar circumstances involving material changes or events. In any investment opportunity involving any such type of transitional or restructuring situation, there exists the risk that the contemplated transaction or event will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which is less than the purchase price of the original security or other financial instrument. Similarly, if an anticipated transaction or reorganization or event does not in fact occur, the Fund may be required to sell its investment at a loss.

Equity Securities Generally

The Fund may invest in equity and equity-linked securities either alone or as part of a package of securities (including debt securities) offered by a portfolio company. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity securities of issuers whose performance diverges from the Manager's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Interest rate fluctuations and inflation risk

Changes in interest rates can affect the value of the Fund's investments in fixed-income instruments. Increases in interest rates may cause the value of the Fund's debt investments to decline. During periods of rising interest rates, the average life of certain types of securities in which the Fund may invest may be extended, because borrowers choose not to repay principal on the loans to take advantage of a below market interest rate. This extension risk increases the security's duration (the estimated period until the security is paid in full) and may reduce the value of the security. During periods of declining interest rates, an issuer of fixed-income securities may be more likely to exercise its option to prepay principal, which may make an investment less profitable. This is known as call or prepayment risk. Securities held by the Fund often have call features that allow the issuer to repurchase the securities before stated maturity. An issuer may redeem a lower-grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the issuer's credit standing.

Inflation risk is the risk that the value of assets or income from the Fund's fixed-income investments will be worth less in the future as inflation decreases the present value of payments at future dates. Deflation risk is the risk that prices throughout the economy decline over time, which may adversely affect the creditworthiness of issuers and make issuer default more likely, reducing the value of the Fund's portfolio. Certain countries' economies have experienced substantial growth in, and, in some periods, extremely high rates of, inflation for extended periods of time. Inflation has, and may continue to have, negative effects on the economies of certain of these countries. For example, the risks associated with transactions

using local currencies are significantly greater in hyperinflationary economies than in other less inflationary markets.

Legislative developments affecting the alternative investment fund industry

Both the United States and the European Union have recently adopted legislation that may impose a higher compliance burden, transparency requirements and limitations on the activities of the Fund and the Manager. Such increased regulatory oversight can impose additional administrative burdens on the Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Manager's time, attention and resources from its asset management activities. Investors in the Fund should be aware that increased regulatory burdens of the Fund could have substantial and adverse consequences for the Fund and its investors.

Availability of insurance against certain catastrophic losses

Certain losses resulting from catastrophic causes, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or, only insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. As a result, investments by the Fund may not be insured against terrorism. If a major uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits in respect of material asset(s) of a borrower, obligor or sponsor to an investment.

Contingent Obligations

From time to time the Fund may incur contingent obligations in connection with an investment. For example, the Fund may purchase from a lender a revolving credit facility or bank loan obligation that has not yet been fully drawn or funded or may agree to backstop a bank syndicate's or other participant's financing commitments to fund a merger or acquisition. If the borrower subsequently draws down on the facility, the Fund would be obligated to fund the amounts due. The Fund may also enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third-party, and may, on the other hand, enter into agreements through which third-parties offer default protection to the Fund. Other contingent obligations incurred in the ordinary course of the Fund's business include commitments to fund joint venture equity at future dates, indemnities or guarantees, and representations or warranties upon sale or disposition. Unresolved claims, including threatened litigation against the Manager, their affiliates, or the Fund, or tax assessments or claims for unpaid taxes, are also a source of possible contingent liabilities. Contingent obligations may result in reserves and holdbacks upon distributions or dissolution of the Fund, which may subsist indefinitely; in addition, the Fund may require Limited Partners to return to the Fund distributed capital and earnings if, on final dissolution and winding up of the Fund, the Fund property is insufficient to satisfy the Fund liabilities.

Fraudulent Conveyance, Preference and Equitable Subordination Considerations

Various laws enacted for the protection of creditors may be applied to investments the Fund may make and the Fund may sustain losses or incur legal defense costs as a result. Losses may be realized years after the investments were bought or sold by the Fund. These creditor-protection laws may be applied to Fund investments in bonds or bank loans of distressed companies that go or have gone into bankruptcy, and also may be applied to equity investments bought or sold by the Fund. For example, under U.S. federal and state laws of fraudulent conveyance, if loans made to companies that are insolvent or are rendered insolvent as a result of the transaction that includes the borrowing, the loans or the liens or guaranties that secure such loans may be judicially invalidated, and the borrower's payments of principal, interest or fees to its lenders or stock dividends or stock repurchase payments may be recouped. In the United States, fraudulent conveyance actions may target transfers made as much as six years before the commencement of the fraudulent conveyance action or a bankruptcy case.

Similar to fraudulent conveyance actions, preference actions also may be asserted under U.S. law against investors in a failing company. If an issuer in which the Fund has an investment becomes insolvent, any payment made by the issuer on such investment, including loan interest, principal or fees, may be subject to disgorgement as a "preference" if made within a certain period of time (which may be as long as one year) before the date the issuer goes into bankruptcy.

In general, under U.S. law, if an issuer's payments are found to be either fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Fund and the Fund has no or inadequate recourse to upstream or other parties, the resulting loss would be borne by investors in the Fund.

Under other principles of U.S. bankruptcy law, loans may lose their priority due to "equitable subordination," which is a remedy where a court subordinates the claim of a creditor to claims of disadvantaged creditors. Examples of situations where equitable subordination could be applied are where a lender (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence to dominate or control a borrower to the detriment of other creditors of such borrower. Under related remedies known as "equitable disallowance" or "lender liability", a court may disallow the claim of a lender or other creditor that has abused its influence on the borrower or even require the lender to pay affirmative damages for its misconduct.

The relevant legal standards for fraudulent conveyance and preference actions and for equitable subordination, equitable disallowance and lender liability set forth above relate mostly to the United States and may differ by jurisdiction. Nevertheless, it should be assumed that risks similar to the foregoing, as well as additional risks which the U.S. bankruptcy regime is designed to prevent, may be present in other jurisdictions in which the Fund invests. Non-U.S. jurisdictions, particularly emerging markets jurisdictions, may have substantially different or less sophisticated systems for resolving corporate insolvencies. Such differences

could expose the Fund to unanticipated claims, legal risks, costs and delays, any one of which could have an adverse effect on one or more of the Fund's investments.

“High-Yield” Bonds, Bank Loans and Unrated or Non-Investment Grade Securities and Instruments

The Fund may invest in private sector debt securities and instruments, including, without limitation, “higher yielding” (and, therefore, generally higher risk) debt securities, syndicated bank loans and other subordinate debt obligations from time to time. Such securities and instruments may be unrated or below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments. In addition, such securities generally are not exchange traded and, as a result, trade in the over-the-counter marketplace, which is less transparent and may have wider bid/ask spreads than the exchange traded marketplace. The Fund may also invest in debt of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Furthermore, it is likely that a major economic recession or financial crisis could have a material adverse impact on the value of such securities and instruments or otherwise increase the incidence of defaults. High-yield securities have historically experienced greater default rates than has been the case for investment-grade securities. The market values of certain of these lower-rated debt securities and instruments tend to reflect individual corporate developments to a greater extent than do higher-rated securities and instruments, which would be expected to be more correlated to fluctuations in the general level of interest rates. The markets for high-yield securities and other lower-rated securities and instruments tend to be more volatile, less liquid and less active than those for higher-rated securities and instruments, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities and instruments at times of market dislocation. High-yield securities may be subordinate to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. Some issuances may be held by a small number of holders, and there may be little or no liquidity in markets for these securities and instruments even absent market dislocation.

Credit-Rating Risk

A credit-rating agency is a private company that assigns credit ratings to some types of fixed-income obligations. Such ratings measure creditworthiness and affect the value of those obligations. Credit-rating agencies include Moody’s Investors Services, Fitch Ratings and Standard & Poor’s. Ratings assigned to fixed-income securities by credit-rating agencies are intended to indicate different levels of risk that a fixed-income security will pay its principal and interest to investors as and when required. Ratings are based on various factors, such as the fixed-income security’s seniority in the capital structure of its issuer, credit characteristics, collateral composition, if any, degree of diversification, weighted average life of the collateral, if any, and the legal structure of the issuer. Such ratings are subject to limitations. An issuer’s rating is heavily weighted by historical data and does not necessarily

reflect future conditions. In addition, the rating agencies may have difficulty rating and monitoring fixed-income securities through different economic cycles. If rating agencies incorrectly rate, or downgrade ratings on, fixed-income securities, the value of the securities may decrease substantially.

Cayman Islands Exempted Limited Partnerships

The Fund is to be constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law (as amended) (the “Law”). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of every description of the exempted limited partnership, including all choses in action and any right to make capital calls and receive the proceeds thereof that is conveyed to or vested in or held on behalf of any one or more of the general partners or which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner and if more than one then by the general partners jointly, upon trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Similarly, any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Law.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the partnership’s assets are inadequate. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as expressed in the partnership agreement or as otherwise agreed, (ii) if such limited partner becomes involved in the conduct of the partnership’s business and holds himself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to section 34 of the Law to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of the insolvency.

Limited liquidity of the interests

There is no public market for the Interests, nor is it anticipated that such a market for the Interests will develop in the future. The Interests are not transferable without the prior written consent of the General Partner in accordance with the terms of the Fund Agreement. In addition, the Interests have not been registered under any applicable securities laws of any jurisdiction, including the Securities Act. Therefore, the Interests in the Fund may only be resold or transferred in compliance with all applicable securities laws. Moreover, the Interests in the Fund may not be transferred if, as a result of such transfer, the number of U.S. Persons

(as defined in Rule 902 of Regulation S under the Securities Act) who beneficially own Interests for purposes of, and as determined in accordance with the Investment Company Act would exceed 100, unless all Limited Partners are “qualified purchasers” or “knowledgeable employees”, each as defined in the 1940 Act, or non-U.S. persons.

Limited Partners must be prepared to bear the risks of owning Interests for an extended period of time. Limited Partners must be prepared to accept and bear the risks and lack of liquidity associated with an investment in the Interests for an extended period of time.

Distribution of illiquid securities

Prior to termination of the life of the Fund, the General Partner may make distributions of cash and marketable securities. However, certain investments may not be ready for liquidation at the end of that period. Under certain circumstances, including if the General Partner does not elect to extend the term of the Fund, there may be in-kind distributions by the General Partner of interests in these investments, which may be illiquid securities. There can be no assurance that any Limited Partner would be able to dispose of these investments or that the value of these investments determined by the General Partner for purposes of the determination of distributions (including the calculation of carried interest) will ultimately be realized.

Default by Limited Partners

If a Limited Partner defaults on its obligation to make required contributions or is excused from an investment, it may be difficult for the Fund to make up the shortfall from other sources. Limited Partners may be required to make additional contributions (up to their unfunded Capital Commitment) to replace such shortfall, thereby reducing the diversification of their investments. Any default by, or excuse of, one or more Limited Partners could have a deleterious effect on the Fund, its assets and the Interests of the other Limited Partners.

Significant damages, including forfeiture of some or all of the investor’s existing investments, may be assessed against an investor for failure to meet drawdown requests when made throughout the life of the Fund.

Tax risks

There are a number of tax considerations with respect to an investment in the Fund. Accordingly, prospective investors should consult their own tax and other advisors as to the advisability and tax consequences to their particular circumstances of an investment in the Fund. Among other considerations, investors should be aware that they will be taxed annually on the Fund income and realized gains, if any, whether or not they receive any cash distributions from the Fund. In addition, the Fund may enter into certain transactions which may alter the manner in which its holding period for a security is determined or may otherwise affect the characterization as short-term or long-term, and also the timing of the realization, of certain gains and losses.

Difficulty of asset valuations or appraisals

The Fund is expected to hold Investments which are not listed on any stock exchange and/or which may be illiquid without a ready independent market valuation. The Manager may therefore use alternative valuation methods, such as third party professional assets appraisers, as it determines necessary in relation to the valuation of such Investments. Such valuation methods may necessarily involve a level of subjectivity for which objective support is unavailable. The Fund itself, acting through its General Partner, ultimately takes full responsibility for the valuation of the Fund's assets notwithstanding the delegation of valuation functions any third-party.

Fund not registered

The Fund is not registered, nor is it expected that the Fund will be registered in the future, under the Company Act, or the securities laws of any other state or country (including the Cayman Islands). The Investment Company Act imposes certain restrictions on registered investment companies and provides certain protection to investors, which will not be applicable in relation to the Fund.

The Fund is not required to register or be regulated as a mutual fund under the Mutual Funds Law (as amended) of the Cayman Islands. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

Indemnification

The Fund has indemnification obligations. Such liabilities may be material and have adverse effect on the returns to the Limited Partners. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the unpaid Capital Commitments of the Limited Partners. If the assets of the Fund are insufficient, the General Partner may recall distributions previously made to the Limited Partners (without regard to their Capital Commitments) so as to enable the Fund to satisfy its indemnification obligations. Such indemnification obligations will survive the winding-up and dissolution of the Fund.

Potential Conflicts of Interest

Instances may arise where the interests of the General Partner, the Manager and their respective affiliates may potentially or actually conflict with the interests of the Fund and the Limited Partners. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Fund. By acquiring an Interest in the Fund, each Limited Partner will be deemed to have acknowledged the existence of actual and potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest. The discussion below does not seek to exhaustively describe all potential conflicts of interest.

Effect of Carried Interest

The existence of the carried interest payable to the General Partner may create an incentive for the General Partner to make more speculative investments on behalf of the Fund, or to take, or not take, certain actions with respect to underperforming or non-performing investments, than it would otherwise make in the absence of such performance-based compensation.

Material, non-public information

By reason of its responsibilities in connection with its other activities, the Manager or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Diverse Limited Partner group

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Fund, whether a particular Limited Partner participates as a co-investor, the structuring or the acquisition of investments and the timing or disposition of investments. A Limited Partner may also have invested in more than one fund. As a consequence, conflicts of interest may arise in connection with the decisions made by the Manager or General Partner.

Conflicts between different funds and the Fund

Certain inherent conflicts of interest arise from the fact that the Manager, who provides management, investment management and investment advisory services to the Fund, and their affiliates, performs services for other clients including discretionary investment management services, such as, without limitation, other investment funds, client accounts and proprietary accounts, in which the Fund will have no interest and whose respective investment programs may or may not be substantially similar. Such activities may be in competition with the Fund and/or may involve substantial time and resources of the Manager and their affiliates.

The portfolio strategies employed for such other investment programs could conflict with the transactions and strategies employed in managing the Fund's portfolio and potentially affect the prices and availability of the securities and instruments in which the Fund invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Fund and the other investment programs. In such case, the Manager will allocate participation in such opportunities on a fair and equitable basis, consistent with the investment objectives and guidelines of the Fund and the other investment programs and taking into account such factors as the relative amounts of capital available for new

investments, relative exposure to short-term market trends, and the respective investment programs and portfolio positions of the Fund and the other investment programs. Such considerations may result in allocations of certain investments other than on a pari passu basis.

Nevertheless, these allocation decisions present conflicts of interest and there can be no assurance that (i) it might not be alleged that the Fund received a smaller allocation or inferior terms in investments than it otherwise might have received if the Manager did not have a conflict of interests in advising both investors; or (ii) it might not be alleged that the Fund was not accorded the opportunity to make a particular investment because the Manager had a conflict of interest as between their advising of the Fund and another client.

Relationships of the Manager and Their Affiliates with Co-Investors and Operating Companies

The Fund may make co-investments with investment partnerships controlled by other management companies in which the Manager or their affiliates have a financial interest or other relationship. In some instances, the Fund may hold the same or similar instruments or rights as those held by the other investment partnerships. In other instances, however, the Fund may hold different instruments or rights than those held by such investment partnerships. Such co-investments may be made at the same time or at different times. In addition to co-investment transactions, the Fund may from time to time enter into other transactions, such as the purchase or sale of securities or instruments, with such private investment limited partnerships.

From time to time, the General Partner, the Manager and their affiliates may offer to Limited Partners, the Manager or their affiliates or third parties the opportunity to co-invest with the Fund in investment opportunities. This will occur, for example, if the General Partner or the Manager perceive that a particular investment opportunity would exceed the desired exposure for the Fund to such opportunities as determined by the Manager in their discretion. Co-investment opportunities may be made available through entities or private investment funds formed to make such investments. At the time of the investment, the General Partner, the Manager and their affiliates will identify suitable co-investors in their discretion and negotiate any fee, incentive allocation or other amounts payable to the General Partner, the Manager and their affiliates or other entities by co-investors, in which the Fund will have no profit interest. Furthermore, the General Partner, the Manager and their respective affiliates may earn management fees and/or performance-based compensation (which may or may not be higher or different than the fees and/or compensation received from the Fund) in respect of such co-investments. The Fund has no obligation to offer any such co-investment opportunities to any Limited Partner, and no profits, if any, from such co-investment opportunities will be treated as gains of the Fund. The Fund's proportionate share of certain fees payable by a portfolio company to the Fund, or reductions in the Management Fee related thereto, may be lower in certain circumstances where co-investments are obtained and managed by the General Partner or other Manager. The General Partner, the Manager and their affiliates (including employees) may from time to time invest for their personal accounts in securities or instruments in which the Fund is also invested.

The General Partner, the Manager and their affiliates may, on occasion, purchase or sell on behalf of the Fund a security in a company in which a managing member or employee of a Manager or a related person has an investment position, a management role or another relationship or enter into co-investments or joint ventures with such companies.

Other fees

The Manager, the General Partner and their respective affiliates may receive transaction fees, commitment fees, monitoring fees, consulting fees, advisory fees and any other similar fees from any portfolio company of the Fund. Such fees will not offset or reduce the Management Fee and the Fund and Limited Partners will have no interest or right to any such fees. The existence of such fees may create an incentive for the Manager, the General Partner and their respective affiliates to actively seek opportunities to provide services to a portfolio company of the Fund. It is not anticipated that any such additional fees shall only be received on an exceptional or infrequent basis at most.

Counsel

The Fund, the General Partner, the Manager and their affiliates will be represented by one counsel, which counsel is not representing the Limited Partners. Prospective investors should seek individual counsel if they so desire.

Consequences for Investors as a result of AEOI

The Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, AEOI (as defined below), as further detailed in the section of this Memorandum entitled "Certain Tax and ERISA Considerations". Such actions may include, but are not limited to the following: (i) the disclosure by the Fund or such other service provider or delegate of the Fund, of certain information relating to an investor to the TIA or equivalent authority and any other foreign government body as required by AEOI. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor, or (ii) the Fund may require any Interests held by an investor to be withdrawn in accordance with the terms of this Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to AEOI may therefore result in pecuniary loss to such investor. "AEOI" means one or more of the following, as the context requires: (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, commonly referred to as the US Foreign Account Tax Compliance Act ("US FATCA"), the Common Reporting Standard ("CRS") issued by the

Organisation for Economic Cooperation and Development, or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes; (ii) any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and the US or any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in (i); and (iii) any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN INVESTING IN THE FUND. POTENTIAL INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM AND CONSULT THEIR OWN PROFESSIONAL ADVISER BEFORE DECIDING WHETHER TO INVEST IN INTERESTS OF THE FUND.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Advisers' advisory services or the integrity of management.

CCCM, CCA, nor any of the Advisers' affiliates have ever been disciplined or sanctioned by any regulatory agency.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Advisers are not registered and do not have any applications pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Advisers are registered representatives of a broker-dealer.
- B. Neither the Advisers nor any of their management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Advisers do not have any other relationships or arrangements with any related persons that are material to their advisory business or to their Clients.
- D. The Advisers does not recommend or select other investment advisers for their Clients.

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

- A. The Advisers have adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Advisers’ employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Advisers is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Employees are generally prohibited from transactions in companies (including IPOs) that the Advisers, the Funds or their affiliates have relationships with in their personal accounts and must pre-clear other transactions involving reportable securities. The Advisers require periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Advisers have established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Advisers would make information barriers impractical, the Advisers have not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Advisers has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Advisers will provide a copy of the Code to any Client or prospective client upon request.

- B. The Advisers’ Principal possesses an interest in the Funds as a General Partner of the Funds. Therefore, the Adviser or Advisers may be deemed to recommend to clients or buy or sell for clients investments in which the Adviser has, or Advisers have, a material financial interest. This aligns the interests of the Principal with the Funds and their investors and does not result in any conflicts of interest between the Advisers and the Funds.
- C. The Advisers do not invest in securities that it recommends to the Client. However, to combat any potential conflicts of interest, the Advisers have implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. Subject to the requirements of the Code, the Advisers or related persons may recommend investments to Clients, or make investments for Clients, at or about the same time that the Advisers or their related persons buys or sells the same investments for their own accounts.

Item 12 - Brokerage Practices

- A. The Advisers' investment strategy involves making investments for Clients to invest in private equity and debt investments. However, the Advisers maintain trading accounts for Clients where trading activity is limited. In this case, the Advisers have complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser may use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

Soft Dollars. The Adviser or its affiliates may receive from a Client's broker-dealer products and services in addition to brokerage services.

A portion of the commissions generated on a Client's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the applicable Client, the Adviser may use such research or services for other Clients and the applicable Client will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use “soft dollar” credits generated by a Client’s securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Clients. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser creates a conflict of interest between the Adviser and its Clients, because a Client may pay for such products and services that are not exclusively for the benefit of the Client and that may be primarily or exclusively for the benefit of the Adviser. To the extent that the Adviser is able to acquire these products and services without expending its own resources (including management fees paid by a Client), the Adviser’s use of “soft-dollars” would tend to increase the Adviser’s profitability. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for its Clients. Certain of the Clients’ Offering Documents, including the Funds’ Offering Documents, specifically authorize these practices to the fullest extent permitted by law.

B. Not Applicable.

Item 13 - Review of Accounts

- A. The Principal of the Advisers is responsible for reviewing Client investment portfolios on a continuous basis relating to, among other factors, position sizes, exposure levels, margin requirements and investment strategy compliance.
- B. See Item 13.A. above.
- C. The Advisers provide Clients with periodic written reports and other communications.

Item 14 - Client Referrals and Other Compensation

- A. The Advisers do not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.
- B. Neither the Advisers nor related persons of the Advisers directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15 - Custody

The Advisers are deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds due to its access to funds, authority to deduct fees and other expenses from the Funds and services by the Advisers' affiliates as General Partners of the Funds. To the extent required by SEC rules, all assets and securities of the Funds are held by qualified custodians.

As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16 - Investment Discretion

The Advisers may contractually assume discretionary authority with each Client account under an investment management agreement with the Client. The Advisers' authority to manage Client accounts is in all cases subject to the specific objectives, guidelines, and limitations set forth in the applicable investment management agreement.

Item 17 - Voting Client Securities

The Advisers do not currently engage in proxy voting.

Rule 206(4)-6 under the Advisers Act requires every investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures, reasonably designed to ensure that the adviser votes proxies in the best interest of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they may obtain information on how the adviser voted their proxies. In the event the Advisers elect to engage in proxy voting for their Clients, the Advisers will implement policies and procedures in accordance with all such laws.

Item 18 - Financial Information

- A. The Advisers do not require or solicit prepayment of more than \$1,200 in fees six months or more in advance.
- B. The Advisers do not believe they have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to their Clients.
- C. The Advisers have not been the subject of a bankruptcy petition at any time during the past ten years.