

Item 1. Cover Page

Part 2A of Form ADV
Investment Adviser Brochure



Potentium Partners, L.P.

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March 31, 2023

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Potentium Partners, L.P. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, David Simons, at dave@potentumpartners.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 authority.

Potentium Partners, L.P. is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Potentium Partners, L.P. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure is the annual update and replaces the last version of Potentum Partners, L.P.'s Brochure dated March 2022. There have been no material changes since the last update, however, this Brochure includes updates to various items to reflect current business practices, risks and related disclosures.

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Item 4. Advisory Business

Potenum Partners, L.P., together with its subsidiary, Potenum Partners Australia Pty Ltd., (together, “Potenum Partners” or the “Adviser”) is a private equity asset manager based in Australia and the United States, that provides investment advisory services to sophisticated and institutional investors. The Adviser is managed by its three Founding Partners Stephen Byrom, David Simons and Jasmina Osmanovic (the “Principals”) who are experienced sovereign wealth, private equity and finance professionals.

Potenum Partners works in partnership with its Clients (as defined below) to tailor, oversee, support and the investment process. Potenum Partners investors have engaged the Adviser to recommend or make investments in private companies on their behalf. These investments may involve management buyouts, leveraged recapitalizations, restructurings, consolidations, leveraged acquisitions, build-ups, pre-public offering opportunities, growth capital opportunities, venture capital and secondaries. The Adviser will typically establish a stand-alone special purpose vehicle (a “Direct Private Investment Vehicle”) to hold the private investment or investments, in accordance with each Client’s investment mandate, and the relevant investor will then invest in such vehicle. Potenum Partners aims to be deeply integrated into the operations of its investors where required and assists in building high quality private equity investments characterized by a relationship-led approach to investment selection and portfolio management.

The Adviser provides its investment advice pursuant to, and subject to the strategies and restrictions (if any) set forth in, the limited partnership agreement and management agreement (as the case may be) for each Client (collectively, a Client’s “Organizational Documents”). The Adviser may add to, change or otherwise modify its investment strategies at any time in its sole discretion, provided, that any such modification or changes fall within the parameters of a Client’s Organizational Documents. The terms of the Organizational Documents may differ between Clients, and investors may impose restrictions on certain types of investments for tax, regulatory, or other reasons.

Specific details relating to the advisory and management services provided to the Clients, including details relating to fees, liquidity rights and risks, amongst others, are fully disclosed in each Client’s Organizational Documents. Current and prospective investors should refer to the applicable Organizational Documents for complete information on the investment objectives, investment restrictions and risks of a particular Client.

Potenum also sponsors pooled investment vehicles (“Fund Clients” or the “Funds” and together with the Direct Private Investment Vehicles, “Clients”) that are limited partnerships comprised of third-party managed underlying private investments and/or private funds (“Portfolio Funds”). The Funds are private pooled investment vehicles, which are exempt from registration under the Investment Company Act of 1940, as amended and exempt from registration under the Securities Act of 1933, as amended. Potenum has full discretionary authority with respect to investment decisions of the Funds, and its advice with respect to the Funds is tailored according to the investment objectives, guidelines, and requirements as set forth in the Funds’ respective offering memoranda and advisory agreements (“Governing Documents”). Responsibility for managing the Private Funds, including all day-to-day operations and investment activities, has been delegated to the Adviser by the Private Funds’ general partner (“General Partner”).

As of December 31, 2022, Potentum Partners managed approximately \$299,725,746 in client regulatory assets on a discretionary basis, and \$126,438,263 on a non-discretionary basis.

Item 5. Fees and Compensation

As discussed above, Direct Private Investment Vehicles are created on case-by-case basis, and the fee arrangements established for such vehicles vary. In general, Direct Private Investment Vehicles pay a fixed management fee or a percentage of invested capital, paid quarterly in advance. The amount and terms of the management fee compensation charged to each Client are determined through negotiations with the investors of the Direct Private Investment Vehicles at each Direct Private Investment Vehicle's inception under the terms of their Organizational Documents. An affiliate of Potentum Partners, such as the respective general partner of each Direct Private Investment Vehicle (each, a "General Partner"), will receive a carried interest allocation with respect to the Direct Private Investment Vehicles, determined through negotiations with the investor of the Direct Private Investment Vehicles at each Direct Private Investment Vehicle's inception under the terms of their Organizational Documents. Further disclosure and conflicts surrounding the carried interest allocation as a performance-based fee is detailed in Item 6 of this Brochure.

Potentum Partners may choose to reduce or waive management and, as applicable, carried interest fees for certain investors such as employees, affiliates of the General Partners, the management team of the underlying portfolio company, and any strategic co-investors/partners.

The General Partner receives an investment management fee from the Private Funds as further described in the Private Funds' Governing Documents. An annual investment management fee is charged quarterly based on committed capital during the investment period. Thereafter, the investment management fee is calculated based on invested capital. Investment management fees may be reduced or waived at the discretion of the General Partner.

In addition to paying management fees and/or trustee fees and carried interest, the Direct Private Investment Vehicles, or in certain instances, companies in which they invest, also pay or reimburse Potentum Partners for expenses relating to the Direct Private Investment Vehicles in connection with: (i) organizational expenses (which, in some cases, may be subject to an expense cap as set forth in the Organizational Documents), (ii) operating expenses, including: taxes or government charges, all third-party costs and expenses incurred in connection with acquiring, holding, restructuring, monitoring and disposing of the underlying portfolio company; litigation, investigation, proceeding or audit, and any threatened litigation, investigation, proceedings or audit; legal, consulting, custodial, financing, bookkeeping, auditing and accounting services (including, without limitation, fees paid to any administrator and expenses associated with the preparation and distribution financial statements, reports, tax returns and Schedule K-1s); premiums for liability insurance (including, without limitation, cybersecurity insurance); investment disposition expenses (whether or not consummated); expenses incurred in connection with the managed distribution of marketable securities; liquidation expenses; expenses incurred in connection with communications with investors, including annual or other meetings of investors, whether individually or as a group (including travel expenses, which include costs of meals, lodging and transportation, including the cost of first-class commercial air travel); audit fees; fees and expenses in relation to custody of Partnership assets; fees and expenses incurred in maintaining appropriate security (including, without limitation, cybersecurity)

measures; all costs and expenses relating to compliance with applicable law, including costs and expenses in connection with custody, security counts; and all other ordinary operating expenses, or non-recurring or extraordinary expenses attributable to the activities and operations of the Direct Private Investment Vehicles.

As further set forth in the Governing Documents, the Private Funds are responsible for organizational, operational, and investment expenses. Organizational expenses include all costs and expenses associated with the formation of the Private Funds, including legal, accounting, printing, travel and out of pocket expenses. Investment expenses include all out-of-pocket due diligence and expenses paid by the General Partner relating to Portfolio Fund investments, including, without limitation, any legal, financial, accounting (including fund administration and annual financial audits), reasonable travel expenses, and financing fees.

Management fees received by the General Partner do not include the investment management fees, carried interest, and expenses for underlying investment managers (i.e., Portfolio Funds). Such fees and expenses, as well as any withholding taxes payable and required to be withheld by issuers, their agents or others will reduce the assets held in (and gross return experienced by) relevant Private Fund Clients' accounts.

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

As described in Item 5 – Fees and Compensation, typically, Potentum Partners or its affiliates will charge performance (e.g., carried interest) fees to its Clients. Such compensation arrangements generally entitle the Adviser or an affiliate to a percentage of the profits of the applicable Direct Private Investment Vehicle (or investment). Such compensation arrangements create an incentive to favor higher fee-paying Clients over other Clients in the allocation of investment opportunities. The Adviser maintains investment allocation procedures designed to allocate investment opportunities among its Clients in a fair and equitable manner and to prevent this conflict from influencing the allocation of investment opportunities among Clients. See Item 12 – Brokerage Practices below for a description of how Potentum Partners allocates direct private investment opportunities. Performance-based fees create an incentive for Potentum Partners to recommend investments that could be riskier or more speculative than those that would be recommended under a different compensation arrangement, although Potentum Partners generally considers performance-based compensation to better align its interests with those of its investors and Clients

Item 7. Types of Clients

Potentum Partners offers investment advisory services to the Funds and to sophisticated and institutional investors. Potentum Partners generally works with prospective investors in determining the size of the investment for new Direct Private Investment Vehicles. The Adviser may establish or waive any investment minimums, in its sole discretion.

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

General

The Adviser's investment advisory services consist of identifying investment opportunities, negotiating the terms of such investments, managing and monitoring investments, and achieving dispositions for investments. The Adviser's goal is to make investments in companies and

Portfolio Funds with the intention of holding those investments for a long duration. Investments will be affected using a broad variety of investment types and transaction structures. Potentum Partners intends, without limitation, to invest in management buyouts, leveraged recapitalizations, restructurings, consolidations, leveraged acquisitions, build-ups, pre-public offering opportunities, growth capital opportunities, venture capital and secondaries. Such investments are intended to take the form of fund investments or co-investments but may also opportunistically include controlling or influential minority investments. All investment decisions regarding the creation and management of the Direct Private Investment Vehicles will be made by an investment committee, which meets regularly to make recommendations with respect to all direct private equity investment and divestment recommendations and decisions. In addition, Potentum Partners monitors these investments on an ongoing basis, working closely with its portfolio companies and/or investment sponsors.

Potentum seeks to invest Fund Clients through underlying managers across select asset classes, industries, and geographies.

Risks of Investment

All investing involves a risk of loss that Clients should be prepared to bear. The identification of securities and other assets believed to be undervalued is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. The Adviser cannot give any guarantee that it will achieve a Client's investment objectives or that Clients will receive a return on their investment. Potentially material risks for the investment strategy used, the methods of analysis used, and/or the particular type of security recommended include, but are not limited to:

- *Competition for Investments* – Potentum Partners Clients compete with other entities for the acquisition of investments. Such competition may come from groups such as institutional investors, investment managers, operating companies, and merchant banks that have greater resources than the Adviser's Clients and are owned by large and well-capitalized investors. There may be intense competition for investments of the type in which Clients intend to invest, and such competition may result in less favorable investment terms than would otherwise be the case. The Direct Private Investment Vehicles may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. There can, therefore, be no assurance that investments of the Clients will meet all the Clients' investment objectives.
- *Limited or No Liquidity* – Potentum may invest Client assets in privately offered pooled investment vehicles with limited liability such as private equity and venture capital funds. Interests in these vehicles are not freely transferable and generally have limited, or no, withdrawal rights. Potentum may also invest Client assets in illiquid assets that could be difficult to sell or transfer in certain market environments.
- *Private Funds and Other Alternative Assets* – Investing Clients in alternative assets managed by third-parties, such as venture capital funds and other private investment funds can be: (i) highly speculative with investments in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent than public investments; (vii) subject to significant

restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these strategies will be subject to fees and expenses which will reduce profits or increase losses. The Fund's performance will be highly dependent upon the expertise and abilities of the third-party investment manager or Portfolio Fund selected or recommended by the Adviser. Third-Party investment managers may or may not have extensive track records.

- *Investments in Unseasoned Companies* – Clients may invest a portion of their assets in privately-held companies with limited histories of profit and stability. These companies may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Each portfolio company will be managed on a day-to-day basis by its own officers (who generally will not be affiliated with Potentum Partners or the Clients). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.
- *Lack of Control* – If a Direct Private Investment Vehicle coinvests alongside another manager's private equity fund, Potentum Partners will have limited ability to direct the management of the underlying portfolio company and/or control the timing of the disposition of the investment. As a result, the rates of return to Clients will primarily depend upon the choice of investments and other investment and management decisions of third-party managers, and returns could be adversely affected by the unfavorable performance of such managers.
- *Strategy Risk* – The failure or deterioration of an entire strategy may cause a Client to suffer significant losses.
- *Multiple Managers* – Given that Potentum Partners may invest Client assets alongside third-party funds or accounts of external investment managers who make their trading decisions independently, it is possible that one or more of such external investment managers and third-party funds may, at any time, take positions which may be opposite of positions taken by other external investment managers and funds.
- *General Market and Economic Risk* – Investments selected directly by Potentum Partners and/or external investment managers selected by Potentum Partners may decline in value for any number of reasons, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities. The success of the Adviser's activities will also be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Potentum Partners' investments),

trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances.

- *Banking Counterparty Risk* – Potentum Partners relies upon third-party banks or other custodians to hold and safeguard Client assets that may be used to pay Fund expenses and purchase new investments. While Potentum Partners carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent Potentum Partners from accessing Client funds, securities, or credit facilities. Potentum Partners could be required to call investor capital to pay expenses or purchase investments that otherwise would have been financed through a credit facility, or Potentum Partners could be prevented from making timely distributions of investor capital in the event a banking counterparty were shut down by regulators. These events could negatively impact Fund performance or result in substantial delays in the return of capital to investors.
- *Limited Liquidity* – Investments selected for Clients are highly illiquid due to transfer and redemption restrictions or for other reasons. As a result, it may be necessary for a Client to hold certain investment for an indefinite period of time. All else equal, a less liquid investment may bear more risk than a liquid investment. Clients should understand that they may not be able to immediately liquidate their investment in the event of an emergency or for any other reason.
- *Economic and Political Risks* – To the extent the Direct Private Investment Vehicles make investments in companies with headquarters, or substantial assets, outside of the United States, such investments may be subject to additional economic and political risks. Governments of many foreign countries have exercised and continue to exercise substantial influence over many aspects of the private sector. Accordingly, future government actions could have a significant effect on the economic environment in such countries, which could affect the availability, purchase price and returns of portfolio investments of companies affected by such governments.
- *Material Non-Public Information*. From time to time, the Adviser comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by Clients. Although infrequent, the Clients may be restricted from initiating a transaction or selling an investment which, if such information had not been known to such Client, may have been undertaken on account of applicable securities laws or the Adviser’s internal policies. Due to these restrictions, Clients may not be able to make an investment that they otherwise might have made or sell an investment that they otherwise might have sold.
- *ESG Considerations* – The Adviser could take into account environmental, social and governance (“ESG”) factors in the sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring or otherwise disposing of portfolio investments. Although such factors could

result in higher ESG compliance fees, expenses or costs or the forgoing of certain opportunities, the Adviser believes that responsible ESG investing enhances the long-term value of portfolio investments and is an important element of responsible investing. There are no universally accepted ESG standards and not all investors agree on the appropriate ESG standards to apply in a particular situation. The Adviser will apply ESG standards and considerations in its sole discretion.

- *Tax Risk* – the Clients may invest in portfolio companies or Portfolio Funds in countries where tax laws are difficult to understand, subject to different interpretations and/or inconsistently enforced. Any such portfolio company or Portfolio Fund in which the Clients invest could therefore have significantly higher tax liabilities than anticipated, causing a material adverse effect on its financial condition and results of operations.
- *Risk Management* – The Adviser applies a risk management approach that it believes is appropriate for Clients. The amount and quality of risk due diligence, measurement and monitoring is dependent on access to the investments and risk management systems (if any) of third-party managers. When this information is unavailable or incorrect, estimates of risk will be made which may turn out to be inaccurate. Efforts to measure and reduce risk may not be successful. In addition, some of the third-party managers and portfolio companies may have little or no performance histories which are necessary for quantitative risk budgeting and scenario testing or other frameworks within which the Adviser will attempt to manage risk.
- *Lack of Diversification* – Subject to the investment limitations of a Client’s Organizational Documents, a limited number of investments may be made and, as a consequence, the aggregate return and performance of a Client may be substantially adversely affected by the unfavorable performance of a single investment. In addition, investors have no assurance as to the degree of diversification of the Adviser’s investments.
- *Valuation of Investments* – Generally, the relevant General Partner will determine the value of all Client investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of Client investments because, among other things, the securities of portfolio companies held by such Clients will be illiquid and not quoted on any exchange. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Client on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.
- *Cybersecurity Risks* – External cybersecurity breaches, including unauthorized access to systems, networks or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality,

may occur. In addition, internal incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Clients, the management company or other service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, such incidents could affect portfolio companies, and thereby adversely affect Client returns.

- *Public Health Risk* – Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the novel coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the locations in which Clients may invest or where portfolio companies transact and thereby adversely affect the performance of Clients’ investments.

Conflicts of Interest

In the ordinary course of the Adviser conducting its activities, the interests of a Client may conflict with the interests of the Adviser, one or more other Clients, portfolio companies, Portfolio Funds, or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Client operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the participating Client, or the advisory boards of the participating Client.

From time to time, the Adviser may be presented with investment opportunities that would be suitable for more than one Client. In determining which Client should participate in such investment opportunities, the Adviser is subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one Client in a company may also raise the risk of using assets of a Client of the Adviser to support positions taken by other Clients of the Adviser. The Adviser must first determine which Clients will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Client based on the Client’s governing documents, investment objectives, strategies, lifecycle and structure. The Adviser will determine if the amount of an investment opportunity in which a Private Fund Client or Direct Private Investment Vehicle will invest exceeds the amount that would be appropriate for such Client and any such excess may be offered to one or more potential co-investors, as determined by the governing documents and the Adviser’s procedures regarding investment allocation. The Adviser’s procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: perceived ability to quickly execute on transactions; expressed interest in co-investment opportunities; tax, regulatory, securities laws and/or other legal considerations; confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the Adviser’s perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, organizational expenses, or other burdens that make it less likely that the prospective co-investor

would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; whether the Adviser believes that allocating investment opportunities will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Client or the Adviser; and other appropriate factors.

Co-investment and direct investment opportunities may, and typically will, be offered to some and not to other Investors. When and to the extent that employees and related persons of the Adviser and its affiliates make capital investments in or alongside certain Clients, the Adviser and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Client's return from a transaction will be equal to and not less than another Client participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed. The Adviser's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Adviser will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist. Conflicts may arise when a Client makes investments in conjunction with an investment being made by another Client, or if it were to invest in the securities of a company in which another Client has already made an investment. This may result in differences in price, terms, leverage and associated costs. There can be no assurance that the return on one Client's investments will be the same as the returns obtained by other Client(s) participating in a given transaction.

Although less common, Clients of the Adviser could occupy different positions in the capital structure of a portfolio company, including instances in which one Client may invest in a more senior position in the capital structure than another Client. In addition, investments made in the same securities of entities by more than one Client may be disposed of by the at different times, including that one or more clients may continue to hold securities in a portfolio company after another Client disposes of its securities in that portfolio company if the Adviser decides in its sole discretion that such is in the best interest of the respective Client(s).

Item 9. Disciplinary Information

Potenum Partners and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's or a perspective investor's evaluation of the Adviser or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser, its Principals or related persons may have a material investment in some or all of the Clients. Therefore, Potenum Partners may be considered to participate in transactions effected for those Clients. The foregoing relationships, fees and actual or potential conflicts of interest arising therefrom are disclosed in the applicable Client's Organizational Documents.

Potenum Partners and the General Partners operate as a single advisory business and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions. The General Partners are entitled to receive performance-based compensation from the Clients, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

As previously mentioned, Potenum is affiliated with the General Partner of the Private Funds which is an investment adviser subject to the Advisers Act. This affiliated investment adviser operates as a single advisory business together with Potenum and serves as the general partner of the Private Fund and shares common owners, officers, partners, and employees or persons occupying similar positions.

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

Potenum Partners has adopted a Code of Ethics (the “Code”), which sets forth standards of conduct that are expected of the Principals and employees of the Adviser, and addresses conflicts that arise from personal trading. The Code requires Potenum Partners personnel to report their personal securities transactions and holdings, requires pre-clearance for employees to directly or indirectly acquire beneficial ownership or dispose of securities in an initial public offering, and prohibits employees from directly or indirectly acquiring beneficial ownership of securities in limited offerings, without first obtaining approval from the Adviser’s Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. Personal securities transactions by employees are required to be conducted in a manner that prioritizes the Clients’ interests in Client-eligible investments. Potenum Partners and the Principals may directly or indirectly own an interest in one or more Direct Private Investment Vehicles.

A copy of the Code will be provided to any investor or prospective investor upon request to the Chief Compliance Officer.

Accordingly, should Potenum Partners come into possession of material nonpublic or other confidential information with respect to any public company, Potenum Partners would be prohibited from communicating such information to investors, and the Adviser will have no responsibility or liability for failing to disclose such information to investors as a result of following its policies and procedures designed to comply with applicable law.

Item 12. Brokerage Practices

Ordinarily, Clients will invest directly in portfolio companies, co-invest alongside third-party managers, or invest in Portfolio Funds without the involvement of any financial intermediary such as a broker-dealer. As such, commissions are not ordinarily directly payable in connection with such investments. However, Potenum Partners may, on occasion, recommend the purchase or sale of securities for Clients which will involve the services of an unaffiliated broker-dealer. To the limited extent that the Adviser engages in transactions other than direct investing in portfolio companies and co-investments, Potenum Partners has authority to determine and/or recommend for Clients the financial intermediaries to be used in connection with such transactions. In making its decisions regarding the allocation of brokerage transactions, Potenum Partners seeks to obtain best execution, taking into account the following factors: (i) the ability to effect prompt and reliable

executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of the order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer; and (iv) the competitiveness of commission rates in comparison with other broker-dealers satisfying the Adviser's other selection criteria. The Adviser does not receive research or other products or services from a broker-dealer in connection with Clients' securities transactions. Although Potentum Partners generally seeks competitive commission rates and commission equivalents, it may not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

As previously disclosed, Potentum Partners invests in direct private equity opportunities and Portfolio Funds. Should a Client engage in a publicly traded securities transaction, Potentum Partners does not anticipate such order(s) will be aggregated with other Clients' orders. Clients receive individualized advice and may decide their investments and the timing of transactions. The primary cost associated with not aggregating is that Clients may receive differing execution prices for securities transactions. Due to the finite nature of most private equity and Portfolio Fund investment opportunities, it is possible that Client demand will either exceed or fail to meet the proposed supply of any given investment opportunity. This could present investment allocation challenges, which the Adviser attempts to resolve by way of the following process.

It is Potentum Partners' allocation policy that all investment opportunities shall, to the extent practical, be allocated among Clients in a manner that is fair and equitable to each Client, taking into account such factors as:

- the investment objectives and strategies of each Client;
- differences with respect to available capital (e.g. current cash position and current or anticipated capital additions or withdrawals);
- size and remaining life of the investment, if relevant;
- differences in risk profile at the time the opportunity becomes available;
- the potential transaction, settlement and custody costs of allocating an opportunity among various Clients;
- potential conflicts of interest, including whether a vehicle has an existing investment in the security in question or the issuer of such security;
- diversification needs of Clients;
- the nature of the security, fund interest or the transaction, including minimum investment amounts, the source of the opportunity, size and type of the investment opportunity and state of the applicable company or fund interest;
- current and anticipated market conditions;
- specific restrictions or guidelines applicable to Clients and relevant tax or regulatory considerations;
- applicable target return of Clients;
- the ability of a Client to commit to invest in a short period of time, in light of the timing constraints applicable to such investment;
- the size of a Client's capital available for deployment; or

- such other factors as Potentum Partners deems relevant, which may include subjective determinations.

In the event that certain Client(s) elect not to make a direct private equity or Portfolio Fund investment that is offered to them, Potentum Partners may elect to offer the remaining balance of such investment to those Clients that are participating in the investment in accordance with the allocation principles set out above.

Item 13. Review of Accounts

The investments made by Clients are generally private, illiquid and long-term in nature. All investment decisions are made by Potentum Partner's investment committee. The Adviser regularly reviews and monitors Client investments. The Adviser reviews various metrics, including but not limited to the valuation, budgets, and overall performance of investments.

Clients receive (i) annual U.S. GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return, (iii) capital account statements from the Client's administrator, and (iv) quarterly and/or annual reports.

Item 14. Client Referrals and Other Compensation

Potentum Partners does not currently engage or compensate third party referral agents to solicit new Direct Private Investment Vehicle clients. The adviser has engaged a third-party unaffiliated placement agent to solicit investors in the Private Fund.

Item 15. Custody

Potentum Partners is a registered adviser with a principal office and place of business outside of the U.S. (an "offshore adviser" per the ABA letter as defined below) and all Fund Clients and Direct Private Investment Vehicles (as defined above), as well as investors in such Clients are non-U.S. clients and non-U.S. investors. As it pertains to this "Item 15. Custody," Rule 206(4)-2 under the Adviser's Act (the "Custody Rule") does not apply to offshore advisers with respect to advisers' dealings with offshore funds and other offshore clients to the extent described in the Staff Letter to the American Bar Association Subcommittee on Private Investment Entities, Aug. 10, 2006.

Item 16. Investment Discretion

Potentum Partners has discretion and authority to manage and direct the investment of capital for a majority of its Clients. This authority is provided to Potentum Partners through an investment advisory agreement signed by the Client. Any limitations on the Adviser's discretionary authority is included in investment advisory agreements, offering documents, and/or the Adviser's internal compliance policies and procedures. Certain Clients have an agreement for Potentum Partners to provide advisory services on a nondiscretionary basis. In a non-discretionary relationship, Potentum Partners typically leads the investment decision-making process with the Client as final decision maker.

Item 17. Voting Client Securities

The Adviser has adopted the Potentum Partners Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how it will vote proxies, as applicable, for Client portfolio investments. Given the Adviser’s business, it is anticipated that it will be extremely rare that Potentum Partners will receive proxies with respect to securities held on behalf of Clients. To the extent that Potentum Partners controls a portfolio company, such voting will not be required. However, there are situations where private companies could have proxy issues (e.g. a private company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, Potentum Partners would have authority to vote proxies on behalf of Clients in accordance with Client mandates set forth in the respective Client’s Organizational or Governing Documents.

The Proxy Policy seeks to ensure that Potentum Partners votes proxies (or similar instruments) in the best interest of Clients including where there may be material conflicts of interest in voting proxies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Potentum Partners when voting proxies on behalf of Clients. If you would like a copy of the Adviser’s complete Proxy Policy please contact David Simons, the Adviser’s Chief Compliance Officer, and it will be provided to you at no charge.

Item 18. Financial Information

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

Potentum Partners is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.