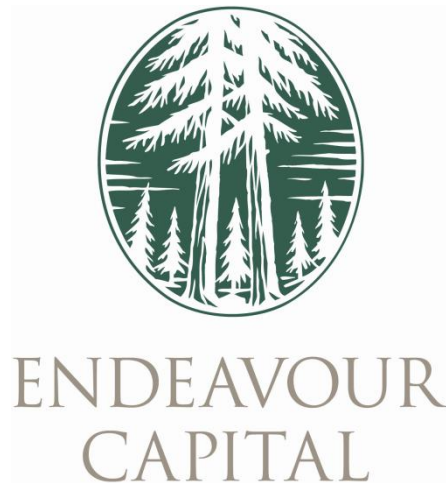


**Item 1. Cover Page**



**DVSM, LP  
(d/b/a Endeavour Capital)**

760 SW Ninth Avenue, Suite 2300  
Portland, OR 97205

Tel: (503) 223-2721

Fax: (503) 223-1384

[www.endeavourcapital.com](http://www.endeavourcapital.com)

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

**March 31, 2023**

**This brochure provides information about the qualifications and business practices of DVSM, LP (d/b/a Endeavour Capital, hereinafter “Endeavour” or the “Firm”). Please contact Endeavour if you have any questions about the contents of this Brochure. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.**

**Additional information about Endeavour is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2. Material Changes

The following summarizes certain material changes to Endeavour's investment advisory business since the last annual update of the Brochure, which was filed on March 31, 2022.

This Brochure includes a description of Endeavour's current operations, personnel and client base, as well as its current regulatory assets under management, certain information and disclosures concerning the Funds managed by Endeavour, and other miscellaneous updates. A summary of material changes since the date of the last filing is as follows:

- Updated the regulatory assets under management in Item 4; and
- Amendment also generally updates the description of Endeavour's business practices.

Current and prospective investors are urged to review the Brochure in its entirety. A copy of this Brochure may be obtained, without charge, by contacting Ms. Erin Wallace, Chief Compliance Officer ("CCO"), at 503-223-2721 or [enw@endeavourcapital.com](mailto:enw@endeavourcapital.com).

*The information set forth in this Brochure is qualified in its entirety by reference to each Fund's Governing Documents (as defined herein) and/or offering documents. In the event of a conflict between the information set forth in this Brochure and the information set forth in each Fund's Governing Documents and/or offering documents, the Fund's Governing Documents and/or offering documents shall take precedence.*

### **Item 3. Table of Contents**

Item 1. Cover Page.....	1
Item 2. Material Changes .....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	5
Item 6. Performance-Based Fees and Side-By-Side Management .....	11
Item 7. Types of Clients.....	12
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9. Disciplinary Information .....	21
Item 10. Other Financial Industry Activities and Affiliations .....	21
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	23
Item 12. Brokerage Practices .....	26
Item 13. Review of Accounts.....	27
Item 14. Client Referrals and Other Compensation.....	27
Item 15. Custody .....	27
Item 16. Investment Discretion.....	27
Item 17. Voting Client Securities.....	28
Item 18. Financial Information .....	28
Item 19. Requirements for State-Registered Advisers.....	28

## **Item 4. Advisory Business**

### **Company Overview & Principal Owners**

Endeavour was founded in 1991 and is directly owned by John E. von Schlegell, D. Mark Dorman, Stephen E. Babson, Aaron S. Richmond, Bradaigh O. Wagner, and Leland M. Jones. Endeavour and its affiliates provide investment management and administrative services to private investment funds (referred to in this Brochure as the “Endeavour Funds”), that invest primarily in middle market non-public companies based in the western United States and western Canada.

### **Fund Structures**

Endeavour’s only clients are the Endeavour Funds, each of which is a pooled investment vehicle, typically organized as a limited partnership, that is not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). A related person of Endeavour serves as the general partner of one or more Endeavour Funds (each, a “General Partner”). Each Endeavour Fund is governed by a limited partnership agreement or similar governing agreement (each, a “Fund Agreement”) that specifies the specific investment guidelines and investment restrictions applicable to the Endeavour Fund. In addition, the private placement memoranda or other offering materials prepared for the investors of each Endeavour Fund also contain information regarding the intended investment program for such Endeavour Fund (together with the Fund Agreement, referred to as the “Fund’s Governing Documents”). Endeavour together with the General Partners provide investment management and administrative services to the Endeavour Funds in accordance with their respective investment mandates as described in the applicable Fund Agreements and, generally, the Endeavour Funds’ private placement memoranda or other offering materials. Each General Partner retains management authority over the business and affairs, including investment decisions, of the Endeavour Funds for which it serves as general partner.

The investors in the Endeavour Funds (“Investors”) are primarily “qualified purchasers” (as defined in the Investment Company Act). Prior to investing the Investors are able to negotiate the terms of the applicable Fund Agreement in connection with their investments in such fund. In certain cases, the General Partner has entered, and may in the future enter, into side letter agreements with certain Investors establishing rights under, or supplementing or altering the terms of, the applicable Fund Agreement. Once invested in an Endeavour Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Endeavour Fund.

Certain Endeavour Funds may be managed as co-investment vehicles to invest on a side-by-side basis in portfolio companies with other Endeavour Funds. Participation in the co-investment vehicles may be offered to Directors, employees, or other related persons at the discretion of Endeavour. Such co-investment vehicles may or may not be subject to the fees described below in Item 5, or may be subject to different fee amounts and/or terms.

Endeavour also may offer current or prospective Investors in the Endeavour Funds the opportunity to co-invest directly in specific investments. Co-investment opportunities have been, and typically will be, offered to some but not all Investors. All decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Endeavour, the general partners, or their affiliates. Such co-investment opportunities will typically not be subject to management fees or carried interest (as defined below in Items 5 and 6).

## **Endeavour's Advisory Services**

Endeavour and/or the General Partners offers advice solely with respect to the investments made by the Endeavour Funds, which generally consist of private company securities, by identifying investment opportunities and participating in the acquisition, management, monitoring and disposition of investments for each Endeavour Fund.

The Endeavour Funds invest primarily in private equity and debt investments in middle market companies in various industries, generally with principal places of business in the western United States and western Canada. These investments employ a variety of investment structures, including traditional acquisitions, management buyouts, spinouts, recapitalizations, minority equity investments and growth capital investments. These investments generally take the form of privately-negotiated investment instruments, including unregistered equity and debt securities of both U.S. and non-U.S. issuers.

Endeavour generally provides services to each Endeavour Fund and/or its General Partner pursuant to a separate investment management agreement (each, an "Investment Management Agreement"), which sets forth the terms of the services to be provided by Endeavour.

Endeavour and the General Partners tailor their advisory services to each Endeavour Fund as described in the investment mandate of the relevant Fund Agreement and, generally, such Endeavour Fund's private placement memorandum or other offering materials.

## **Assets Under Management**

As of December 31, 2022, Endeavour managed a total of \$2,149,730,373 of Endeavour Fund client regulatory assets, all of which are managed on a discretionary basis.

## **Item 5. Fees and Compensation**

### **Compensation**

Except in the case of the Employee Funds (as described further below), Endeavour is compensated through the payment of management fees by the Endeavour Funds ("Management Fees"). The specific terms relating to the Management Fees paid by each Endeavour Fund are negotiated by the investors in such fund at the time of its formation and, as such, vary from fund to fund. Generally speaking:

- The Endeavour Funds pay the Management Fees in cash quarterly in advance, with fees for any period shorter than a full quarter being prorated for such quarter.
- The annual amount payable by an Endeavour Fund during its investment period is a percentage (generally 2.0%) of total Investor capital commitments to such Endeavour Fund. Following the end of an Endeavour Fund's investment period, or upon the date Endeavour first receives or begins to accrue Management Fees with respect to a new Endeavour Fund in accordance with the applicable Governing Documents, the fee transitions to a declining percentage (generally decreasing at a rate of 0.2% - 0.25% per year) of either capital commitments or the Endeavour Fund's invested capital for Investments that have not been disposed of or permanently written down under U.S. GAAP.
- The Management Fee obligation of an Endeavour Fund will typically be terminated only in connection with the dissolution of that fund, except in instances where Endeavour or an affiliate thereof has voluntarily waived the Management Fee in relation to a specific Endeavour Fund (e.g., where an Endeavour Fund's term has been extended pursuant to the applicable terms set forth in such Fund's Governing Documents). In instances where the Management Fee has been waived in relation to an Endeavour Fund, any supplemental fees received subsequent to such Management

Fee waiver date by Endeavour and/or its related persons from third parties that would otherwise be required to offset the Management Fee (as described below) will be retained exclusively by Endeavour and/or its related persons and, as such, will not benefit the applicable Endeavour Fund or its investors. If the obligation were terminated mid-quarter, Endeavour would be obligated to return a pro-rated portion of the Management Fee to the applicable Endeavour Fund in connection with its dissolution.

Endeavour deducts Management Fees directly from each Endeavour Fund's account with its qualified custodian.

In connection with facilitating investments in an Endeavour Fund program by Endeavour, its employees and/or their respective related persons, Endeavour has organized, and may in the future organize, one or more Endeavour Funds for such purposes (such Endeavour Funds, the "Employee Funds"). The Employee Funds do not, and are typically expect not to, pay any Management Fees or performance-based fees. Endeavour is permitted to exempt certain "affiliated partner" Investors in the Endeavour Funds from payment of all or a portion of Management Fees and/or carried interest, including Endeavour and any other person designated by Endeavour, such as "friends and family" of Endeavour or its current or former personnel, or other Investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Endeavour and/or its affiliates, or through an Employee Fund or other Endeavour Funds which co-invest with such Endeavour Fund.

In addition, Endeavour or the General Partners are entitled to certain break-up, topping, investment banking, transaction, monitoring, directors', advisory, consulting or other similar fees in connection with portfolio investments of the Endeavour Funds as compensation for financial advisory and similar services provided to the Endeavour Funds' portfolio companies. Except as noted above, the Management Fees payable by the Endeavour Funds will be offset by all or a portion of such fees pursuant to the terms of the applicable Fund Agreement.

As a matter of practice, Endeavour or the General Partners is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Endeavour Fund(s) that have also invested in such investment, and, as a result, an Endeavour Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to General Partner or affiliated partner commitments or that relates to such co-investors or potential co-investors (which could include co-investment vehicles managed by Endeavour, third parties, portfolio company management or employees and/or others), which have the potential to be significant. The applicable General Partner will generally allocate fees among the applicable Endeavour Funds and co-investors on a pro rata basis, though the applicable General Partner may make such allocation on a non pro rata basis with the consent and approval of the relevant limited partner advisory committee. Unless otherwise agreed with Investors, such fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Additionally, as further described below and in the applicable Fund Agreement, Endeavour in certain cases uses or retains certain Operations Group members to provide services to (or with respect to) certain portfolio companies in which one or more Endeavour Funds invest. Such Operations Group members generally receive compensation and other amounts described herein from the relevant portfolio companies or Endeavour Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Endeavour also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Endeavour Fund portfolio companies.

The Endeavour Funds also generally pay a performance-based allocation to their General Partners, which is described in further detail in Item 6 below.

Neither Endeavour nor its affiliates accept compensation for the sale of securities or other investment products.

### **Other Expenses Paid by Endeavour Funds**

Each Endeavour Fund generally bears all fees, costs, expenses, liabilities and obligations relating to a Partnership and/or its activities, operations and and/or its activities, business, Portfolio Companies or actual or potential investments, which may include without limitation:

- costs and expenses incurred in activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Partnerships' actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- indebtedness of, or guarantees made by, the Partnerships, Endeavour, the General Partners or any affiliated partner on behalf of a Partnership (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
- expenses for broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy-side, sourcing and sell-side fees);
- expenses for brokerage, sale, custodial, depository (including a depository appointed pursuant to the AIFMD and/or a Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act, as amended, or in each case, pursuant to any law, rule or regulation that is related to the implementation thereof or that is of similar effect), trustee, record keeping, account and similar services;
- taxes, fees and other governmental charges levied against the fund on account of its operations;
- expenses associated with the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the AIFMD or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing;
- the fees of an independent certified public accountant incurred in connection with the annual audit of the fund's books and the preparation of the fund's annual tax return;
- expenses for legal, accounting, diligence research (including licensing fees for third-party market research providers and amounts paid to market research, "expert network" or similar firms in connection with potential and existing investments), auditing, administration (including fees and

expenses associated with a Partnership's third-party administrator and administration or reporting or accounting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the operations group or any of its members, consultants performing investment initiatives and other similar consultants (excluding consulting services that are not related to a portfolio company or prospective portfolio company or an existing or prospective investment, and are not performed as part of an investment or investment strategy initiative)), tax and other professional services; provided that, with respect to the operations group and any members thereof, (A) such fees or the compensation rate shall not exceed the internal compensation costs and expenses (including the salary rate, bonus and benefits (each as prorated for the same period for which the salary rate is determined)) incurred by the General Partner, Endeavour or an affiliate thereof with respect to the applicable person for the period during which the applicable services are performed, as reasonably determined by the General Partner based such person's compensation rate as in effect immediately prior to the time such services are performed, and (B) no such fees or compensation shall be paid with respect to consulting services that are not related to a portfolio company or prospective portfolio company or an existing or prospective investment, and are not performed as part of an investment or investment strategy initiative;

- reverse breakup, termination and other similar fees;
- costs associated with developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Endeavour Fund(s) or the Investors;
- the cost of directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses relating to any retention or deductibles; costs associated with annual Investor meeting or other periodic, if any, meetings of the Investors and any other conference or meeting with any Investor(s), in each case to the extent incurred by the Endeavour Fund, Endeavour and the General Partners;
- filing, title, transfer, registration and other similar fees and expenses;
- cost of printing, communications, marketing and publicity;
- costs of any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information;
- expenses related to actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into in connection therewith;
- out-of-pocket costs, fees and expenses incurred in connection with the organization, dissolution, liquidation, winding up or termination of the fund;
- costs associated with defaults by partners in the payment of any capital contributions;
- the Management Fee;
- except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a partnership expense if it were incurred in connection with a Partnership, and any expenses incurred in connection with the



formation, management, operation, dissolution, winding up and termination of any feeder vehicles related to a Partnership to the extent not paid by the investors investing in such entities;

- amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Partnership, a parallel fund, a General Partner, a parallel fund general partner, Endeavour and any alternative investment vehicle of a Partnership or a parallel fund; in each case including the preparation, distribution and implementation thereof; provided, however, that this clause shall not apply to any amendment made in accordance with the applicable Fund Agreement and relating solely to the tax characterization of the carried interest or the deferral of receipt of any distribution with respect to carried interest or the corresponding provisions of such other constituent documents;
- (A) complying with any law or regulation related to the activities of a Partnership (including regulatory expenses of a General Partner incurred in connection with the operation of a Partnership and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a Partnership, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in accordance with the applicable Fund Agreement;
- unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated in the applicable Fund Agreement;
- any taxes, fees and other governmental charges levied against a Partnership and all expenses incurred (including by a partnership representative or designated individual) in connection with any tax audit, investigation settlement or review of a Partnership (except to the extent that a Partnership is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the partners in accordance with the applicable Fund Agreement;
- distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Partnerships' investments, including extraordinary expenses;
- unreimbursed expenses of the operations group or its members, employees or other persons engaged by the operations group in accordance with the applicable Fund Agreement;
- any compensation paid to any person who has been seconded on a full-time basis from Endeavour to a portfolio company (not to exceed two such persons at any given time) for a fixed period of time (but only such compensation earned by such person for up to six months, after such person has been seconded on a full-time basis to such portfolio company for 60 days) at an annualized salary not to exceed what such person had been compensated by Endeavour immediately prior to such secondment;
- expenses related to compliance or regulatory matters related to a Partnership (including any costs and expenses related to cybersecurity and any costs and expenses related to compliance with any environmental, social and governance investor considerations and policies of a General Partner or a Partnership), except as otherwise set forth in accordance with the applicable Fund Agreement;
- expenses related to any travel consistent with the Endeavour's written expense policy with respect to travel (which, in the case of airfare, shall not the cost of reimbursable air travel), lodging, meals or customary, business-related entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
- any organizational expenses;

- any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board and permissible under the Fund Agreement; and
- indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the applicable Fund Agreement).

Fund expenses pertaining exclusively to a single Endeavour Fund will be charged solely to that Endeavour Fund. In accordance with Endeavour's internal expense allocation policies and the Funds' Governing Documents, Fund expenses relevant to multiple Endeavour Funds will, in Endeavour's good faith determination, be allocated to such Funds typically on a pro-rata basis (generally based on: (i) the relative size of a Fund's invested capital, in the case of investment-related expenses and (ii) the relative size of Fund capital commitments, in the case of other expenses). Subject at all times to the expense allocation provisions of the Funds' Governing Documents, Endeavour may in good faith choose to allocate such expenses in a different manner than that described above where they believe such an allocation is in the best interests of the relevant Funds.

Notwithstanding any of the above, typically, where a proposed co-investment transaction is not consummated, no co-investment vehicle generally will have been formed. As such, absent a written agreement with a specific prospective co-investor to the contrary that obligates such person to bear a share of the relevant expenses relating to such an unconsummated co-investment transaction (including broken deal expenses, diligence and pursuit expenses, and other third-party out-of-pocket expenses), the full amount of such expenses will typically be borne by the Endeavour Fund or Endeavour Funds selected by Endeavour for participation in such proposed co-investment transaction.

In certain circumstances, one Endeavour Fund will be expected to pay an expense or obligation common to multiple Endeavour Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Endeavour Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Endeavour Funds and/or co-investors over time), and be reimbursed by the other Endeavour Funds for their share of such expenses or obligations, without interest. To the extent the paying Endeavour Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Endeavour Funds for use of the facility. While Endeavour believes such circumstances to be highly unlikely, it is possible that one of the other Endeavour Funds could default on its obligation to reimburse the paying Endeavour Fund. In certain circumstances, Endeavour, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Endeavour Funds, without interest, to which such expenses relate.

Endeavour and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Endeavour Funds that will neither be subject to an offset against any management fees payable to the Endeavour Funds nor will otherwise be shared with the Endeavour Funds and/or portfolio companies. For example, airline travel or hotel stays incurred as fund or account expenses typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Endeavour and/or such personnel (and not the Endeavour Funds and/or portfolio companies) even though the cost of the underlying service is borne by the Endeavour Funds and/or portfolio companies.

## **Operations Group**

Endeavour has created an operations group (the "Operations Group") comprised of non-investment professionals employed or retained by Endeavour primarily to provide services, such as manufacturing,

sales, marketing, technology, human resources, acquisition integration/rationalization, legal and/or other operations services, acquisition or other due diligence, or similar services to the Endeavour Funds, any alternative investment vehicle or any portfolio company or prospective portfolio company of an Endeavour Fund or any alternative investment vehicle. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the relevant Endeavour Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Endeavour Fund typically will bear the costs of all compensation for such members of the Operations Group as well as fees, costs and expenses of structuring Operations Group arrangements. The Operations Group and its members also generally will be reimbursed for certain travel and other costs in connection with its services. As described above, such amounts are likely to be paid by a portfolio company or prospective portfolio company or directly by the applicable Endeavour Fund, and no such amounts will offset or reduce the Management Fee. *The above description is only intended to be a summary. Investors should review the respective Fund Governing Documents for a full and detailed description.*

## **Item 6. Performance-Based Fees and Side-By-Side Management**

As described in Item 5 above, except in the case of the Employee Funds, the Endeavour Funds generally are required to pay both a management fee and a performance-based allocation. Endeavour Funds allocate a portion of their investment profits (generally 20%) to their General Partners, which are related persons with respect to Endeavour, as set forth in each Fund Agreement (such profit allocation is commonly referred to as a "carried interest"). The foregoing performance-based carried interests are generally subject to the achievement of an 8% annual rate of return on the amount of the unreturned capital contributions of investors as of the date of determination and is subject to clawback provisions as set forth in the applicable Fund Agreement upon the final distribution of the applicable Endeavour Fund's assets.

The General Partners' entitlement to performance-based compensation may create an incentive for both the General Partners and, due to the common ownership of Endeavour and the General Partners, Endeavour to take greater risks in managing the Endeavour Funds than they would otherwise take in the absence of such arrangements, although Endeavour generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Fund Agreement includes terms requiring clawback of performance-based compensation amounts at the end of the relevant Endeavour Fund's life.

In addition, from time to time, more than one Endeavour Fund may participate in a given portfolio investment. Where the performance of one Endeavour Fund has met the required performance threshold for its General Partner to receive amounts in respect of its carried interest while another Endeavour Fund has not, Endeavour may have an incentive to allocate particularly attractive investment opportunities to the Endeavour Fund that is expected to generate carried interest or to permit that Endeavour Fund to exit investments at a time that would maximize its returns, potentially to the detriment of the other Endeavour Fund.

This potential conflict of interest is mitigated by the fact that the Fund Agreements generally restrict Endeavour and its affiliates from launching new Endeavour Funds until the pre-existing Endeavour Funds have substantially invested or reserved available capital or until the expiration of the pre-existing Endeavour Funds' investment periods. As a result, the circumstances in which an investment opportunity might be allocated to more than one Endeavour Fund are limited and such allocation is typically governed by the Fund Agreements. In addition, the Fund Agreements contain limitations on the timing and terms of the co-investment and the disposition of securities associated with those investments intended to protect the interests of investors in the Endeavour Funds. Further, Endeavour and the General Partners seek to ensure that all investments made by Endeavour Funds are fairly and equitably allocated.

## **Item 7. Types of Clients**

As described in Item 4, Endeavour and the General Partners provide advice solely to the Endeavour Funds, which are generally formed as limited partnerships. The Endeavour Funds invest capital contributed to them by one or more high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, pooled investment vehicles, and other entity investors that are “accredited investors” (as defined in Regulation D under the Securities Act) and qualified clients to the extent required under Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

There is no minimum commitment for an investor of an Endeavour Fund. In addition, the Endeavour Funds has entered, and may in the future enter, into separate agreements, commonly referred to as “side letters,” with certain investors, granting such investors certain rights (such as the right to have representation of the applicable Endeavour Fund’s limited partner advisory committee) that are not offered to other investors in such Fund.

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

Endeavour and its affiliates provide investment advice to each Endeavour Fund consistent with the terms and description of the investment program of such Endeavour Fund set forth in the applicable Fund Agreement and, generally, such Endeavour Fund’s private placement memorandum or other offering materials. Moreover, it is the policy of Endeavour to treat each Endeavour Fund fairly and equitably in the allocation of investment opportunities in portfolio companies. Subject to the terms of the applicable Fund Agreements, two or more Endeavour Funds may co-invest in the same portfolio company.

### **Methods of Analysis**

Endeavour employs a rigorous, multiple-step due diligence process focused on quantitative and qualitative analysis of potential portfolio companies. In evaluating potential investments, Endeavour conducts extensive due diligence to analyze company and industry fundamentals including, among other things, the company’s market and competitive position within that market, the company’s growth potential, the company’s cost and revenue structures, the company’s assets (including brand strength, manufacturing capabilities and intellectual property), the company’s management team and compensation structure, the company’s contingent liabilities (regulatory, accounting or otherwise) and potential exit strategies. In connection with this diligence process, Endeavour generally gathers data from (a) interviews with the management team of the potential portfolio company; (b) company financial statements; (c) reference checks on the company and its management team; (d) press releases and SEC filings made by the potential portfolio company; (e) trade shows and relevant trade publications; and (f) white papers on the products of potential portfolio companies and industry trends.

### **Investment Strategy**

Endeavour primarily focuses on management buyout, recapitalization and growth equity investments in growth companies in the western United States and western Canada. Endeavour primarily focuses on prospective portfolio companies that:

- are headquartered in the western United States or western Canada;
- fit within what Endeavour views as the lower middle market growth segment (i.e., enterprise values of less than \$500 million (generally in the \$25 million - \$250 million range) and EBITDA in the \$5 million - \$25 million range);
- participate in a non-technology-driven industry with favorable dynamics for investment (i.e., growing or fragmented industry with barriers to competition); and

- are seeking growth capital of \$15 million - \$75 million.

Following investment, Endeavour seeks to sponsor value-added initiatives at its portfolio companies, including “rounding out” and upgrading management teams, recruiting knowledgeable independent board members, assisting with strategic planning and evaluation of acquisition opportunities, enhancing corporate governance initiatives and developing banking relationships.

## **Material Risks of Investment Strategies**

*Risk Inherent in Private Equity Investments.* The types of investments that the Endeavour Funds make involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Endeavour Funds will be adequately compensated for risks taken. Losses are likely to occur early in the Endeavour Funds’ terms, while successes often require a long maturation. The companies in which the Endeavour Funds invest may have complex and/or non-optimal capitalization structures and may be in need of assistance to expand or reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company, which if not properly implemented could give rise to potentially significant decreases in enterprise value.

*Financial Leverage.* The Endeavour Funds may make use of financial leverage in making their investments, utilizing debt from a number of sources including banks, investment banks, public debt markets, mezzanine funds and bridge loan funds. The use of debt will expose investments to financial risk, including the inability to meet debt obligations as they mature and possible bankruptcy. Such risks could be heightened in an environment of increasing interest rates or an overall decline in economic conditions within the United States and the global economy.

*Subscription Lines* An Endeavour Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Endeavour Fund’s investments). Endeavour Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner’s right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Endeavour Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Endeavour Fund would likely be subordinate to the Endeavour Fund’s obligations to a subscription line’s creditors.

In addition, Endeavour Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line’s interest rate is based in part on the creditworthiness of the relevant Endeavour Fund’s limited partners and the terms of the applicable Fund Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner’s cost of capital is lower than the relevant Endeavour Fund’s cost of borrowing, Endeavour Fund-level borrowing can negatively impact a limited partner’s overall individual financial returns even if it increases the Endeavour Fund’s reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Endeavour Fund-level borrowing typically delays the need for limited partners to make contributions to a Endeavour Fund, or results in short-term gains to a Endeavour Fund, which in certain circumstances enhances the relevant Endeavour Fund’s internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred

return component in the Endeavour Fund's carried interest arrangements will be met. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Endeavour Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Endeavour Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Endeavour Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Endeavour Fund or impose concentration or other limits on the Endeavour Fund's investments, and/or financial or other covenants, that could affect the implementation of the Endeavour Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Endeavour Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Endeavour Fund, resulting in a potential net benefit to the Endeavour Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Endeavour Fund subsidiary.

Endeavour Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Endeavour Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Endeavour Fund-level borrowing to pay Management Fees and to reimburse Endeavour for expenses incurred on behalf of the relevant Endeavour Fund. An Endeavour Fund is also permitted to utilize Endeavour Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Endeavour Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Members of the Operations Group generally make use of Endeavour resources or otherwise are associated with Endeavour. Endeavour and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Members of the Operations Group are expected from time to time to include former employees of Endeavour or certain portfolio companies, and in some circumstances former members of the Operations Group are expected to become Endeavour employees or employees of portfolio companies. Consequently, the determination of whether individuals are members of the Operations Group is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Endeavour otherwise would be required to bear. The Operations Group and/or its members generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Endeavour Fund, as described herein, and the use of the Operations Group is

expected to fluctuate and/or expand over time. To the extent that the Operations Group and/or its members are paid retainers or guaranteed minimum compensation amounts (e.g., a flat rate per portfolio company), there is the possibility that certain portfolio companies or Endeavour Funds will bear a greater share of such compensation due to the utilization of an Operations Group member's services at a time when fewer portfolio companies or Endeavour Funds make use of the Operations Group or its members. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Operations Group or its member. Although the use of Operations Group members and the allocation of compensation paid to them by Endeavour, its affiliates and/or the portfolio companies subjects Endeavour and/or its affiliates to potential conflicts of interest, Endeavour believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Endeavour Fund(s)) that will result if the cost of the Operations Group and/or its members is lower than market rates for the services provided and/or if the services of the such Operations Group member align with Endeavour's model for the portfolio company and improve portfolio company performance. Although Endeavour seeks to retain the Operations Group and its members with a view to reducing costs to portfolio companies (and, ultimately, the Endeavour Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Endeavour also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Endeavour believes will align such persons' interests with those of the Endeavour Funds' limited partners, and seeks to retain only Operations Group members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

*Competitive Marketplace.* The marketplace for private equity investing and leveraged buyouts has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. There can be no assurances that Endeavour or the General Partners will locate an adequate number of attractive investment opportunities to invest all capital committed by investors to the Endeavour Funds. To the extent that the Endeavour Funds encounter competition for investments, returns to investors may vary.

*Extensive Government Regulation.* The extensive government regulation of certain industries in which Endeavour Funds may invest creates additional uncertainty and risks for the funds. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome, and portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect portfolio company success.

*Changing Economic Conditions.* The success of the investment strategies employed by the Endeavour Funds could be significantly impacted by changing external economic conditions in the United States and global economies. The use of leverage in making investments will increase the exposure of the Endeavour Funds' portfolio holdings to changes in interest rates and inflation rates, in particular, and changing economic conditions could potentially adversely impact the valuation of portfolio holdings. The United States and global economies periodically experience volatile and unstable periods, which may include bank failures, credit crises, a loss of confidence among major financial institutions and instability in the public markets. Each of these ongoing conditions and the potential repercussions thereof may have lasting adverse effects on the returns of the Endeavour Funds and their portfolio companies. Moreover, the potential regulatory reactions to such economic turmoil may further adversely impact the Endeavour Funds in unanticipated ways.

*Public Health Emergencies.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have and are

resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Endeavour Funds.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, and in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency — and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to Endeavour Funds. The extent of the impact on the Endeavour Funds’ and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Endeavour Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Endeavour Funds intends to pursue, all of which could adversely affect the Endeavour Funds’ ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Endeavour Funds, its portfolio companies, Endeavour and the General Partners may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Russia-Ukraine Conflict.* The ongoing military conflict between Russia and the Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have an adverse impact and result in losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new



investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

*Possibility of Becoming a Minority Investor in Certain Cases.* The Fund Agreements of the Endeavour Funds includes the ability to take meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, Endeavour Funds may at times hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, the minority stakes that the Endeavour Funds may hold have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

*Availability of Financing.* In order to achieve the investment objectives, the Endeavour Funds will at times rely on the availability of financing, principally debt, from third party sources such as banks, investment banks and private mezzanine funds. Should such external financing not be available for any reason, an Endeavour Fund may not be able to achieve the investment objectives.

*Limitations on Ability to Exit Investments.* The Endeavour Funds generally exit from their investments in three principal ways: (i) private sale, (ii) recapitalizations and (iii) initial and secondary public offerings. At any particular time, not all of these avenues may be open to an Endeavour Fund or timing with respect to any one of these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

*Indemnification and Contingent Liabilities on Disposition of Investments.* In connection with the disposition of an investment in a portfolio company, the Endeavour Funds may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Endeavour Funds may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partners of the Endeavour Funds may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. In addition, the Endeavour Funds may be obligated to fund such indemnity obligations to the extent escrow arrangements are insufficient to cover the indemnity obligations.

*Absence of Liquidity and Public Markets.* The Endeavour Funds' investments are generally private, illiquid holdings. As such, there will be no public markets for the securities held by the Endeavour Funds and no readily available liquidity mechanism at any particular time for any of the investments held by an Endeavour Fund. In addition, the realization of value from any investments will not be possible or known with any certainty until an Endeavour Fund sells its investments and subsequently distributes the proceeds to its investors or elects to distribute securities to investors in lieu of cash.

*No Market; Illiquidity of Fund Interests.* Investments in the Endeavour Funds are illiquid and involve a high degree of risk. There is no public market for interests in the Endeavour Funds, and it is not expected that a public market will develop. Consequently, investors in the Endeavour Funds will bear the economic risks of their investment for the term of such funds. Prospective investors will be required to represent and agree that they are purchasing the interests in an Endeavour Fund for their own account for investment only and not with a view to the resale or distribution thereof.

*Certain Limitations on Ability of Investors to Transfer Their Interests in the Endeavour Funds.* The transferability of interests in the Endeavour Funds will be restricted by the Endeavour Funds' Fund Agreements and by federal and state securities laws. In general, investors will not be able to sell or transfer

their interests in an Endeavour Funds to third parties without the consent of the General Partner of the Endeavour Fund.

*Limited Portfolio Diversification.* As is typical of private equity firms, the portfolio holdings of the Endeavour Funds will not be broadly diversified. In addition, Endeavour's regional and industry investment focus may lead to less geographic or industry diversification than may be typical of such firms. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to investors by an Endeavour Fund.

*Legal, Tax and Regulatory Risks.* Legal, tax and regulatory changes could occur during the term of an Endeavour Fund that may adversely affect such Endeavour Fund.

*Failure To Make Capital Contributions.* If an investor fails to pay when due installments of its capital commitment to an Endeavour Fund, and the contributions made by non-defaulting investors and borrowings by the Endeavour Fund are inadequate to cover the defaulted capital contribution, the Endeavour Fund may be unable to pay its obligations when due. As a result, the Endeavour Fund may be subjected to significant penalties that could materially and adversely affect the returns to its investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the Endeavour Fund's Fund Agreement.

*Lack of Investor Control.* Subject to the terms of the applicable Fund agreement and applicable law, the General Partner of an Endeavour Fund and Endeavour have complete discretion with respect to such Endeavour Fund's portfolio. The investors will not make decisions with respect to the management, disposition or other realization of any investment made by such Endeavour Fund, or other decisions regarding such Endeavour Fund's business and affairs.

*Diverse Investor Group.* Investors may have conflicting investment, tax and other interests with respect to their investments in the Endeavour Funds. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the structure, timing or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Endeavour, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, Endeavour will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

*Side Letters.* Endeavour and/or its affiliates reserve the right to enter into side letters with certain Investors in an Endeavour Fund providing such Investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Endeavour's compensation, none of which generally will be subject to the "most-favored nation" provisions of an Endeavour Fund's Fund Agreement), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Endeavour Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms.

Endeavour is likely to have its own economic and/or other business incentives to provide certain terms to certain Investors, e.g., based on commitment amount to an Endeavour Fund or the timing thereof, the ability of an Investor to provide sourcing or other services to Endeavour, its affiliates and personnel or the Endeavour Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Endeavour, its affiliates and personnel, or the Endeavour Funds. Further, side letters may also relate to strategic relationships under which an Investor agrees to make commitments to multiple Endeavour Funds. Except where required by the applicable Fund Agreement, other Investors will not receive

copies of side letters or related provisions, and as a general matter, the other Investors have no recourse against an Endeavour Fund, Endeavour, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side Letters subject Endeavour to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Endeavour Fund's advisory committee results in the Investor receiving additional information relative to other investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other side letter rights are likely to confer benefits on the relevant Investor at the expense of the relevant Endeavour Fund or of Investors as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Endeavour Fund.

*Cybersecurity.* Endeavour, the Endeavour Funds and the portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of Endeavour and each Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Endeavour, the General Partners, a Fund and/or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the fund's investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Endeavour's, the General Partners', the Funds' a portfolio company's and/or a service provider's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Endeavour's, the Endeavour Funds' or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

*Financial Institution Risk; Distress Events.* An investment in an Endeavour Fund is subject to the risk that one of the Endeavour Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Endeavour Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Endeavour, the Endeavour Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Endeavour to manage the Endeavour Funds and their investments, and on the ability of Endeavour, any Endeavour Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses potentially include an Endeavour Fund having to pay

fees and expenses in the event the Endeavour Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of an Endeavour Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Endeavour expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many custodians require, as a condition to using their services or otherwise, that Endeavour and/or the relevant Endeavour Fund maintain all or a set amount or percentage of their respective accounts or assets with such custodian, which heightens the risks associated with a Distress Event with respect to such custodian. Although Endeavour seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Endeavour Funds, Endeavour is under no obligation to use a minimum number of custodians with respect to any Endeavour Fund, or to maintain account balances at or below the relevant insured amounts.

*Secondaries and other General Partner-Led Transactions.* There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and Endeavour reserves the right to dispose of (or seek additional capital for) Endeavour Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Endeavour following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Endeavour believes there is the potential for additional value generation. Where undertaken, existing Investors in the applicable Endeavour Fund typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Endeavour Funds), often on different terms than the original investment. However, certain of such transactions are expected to require: a limited partner to invest additional capital in the existing Endeavour Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio company; and/or a delay in the full liquidation of its investment. In other circumstances, even Investors that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of an Endeavour Fund or Investor and those of Endeavour or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Endeavour or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Endeavour Fund in such transaction), their incentives are expected to diverge from those of Investors who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Endeavour Fund, Endeavour, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. To the extent Endeavour requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Endeavour Fund in addition to the purchase amount paid in a transaction, such requirement is expected to have a negative effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Endeavour Fund investment(s) being sold. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for

longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Endeavour Fund, and in such circumstances Endeavour reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Investors will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Endeavour will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of the applicable Endeavour Fund or any individual Investor or group of Investors. However, Endeavour reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Fund Governing Documents. Endeavour is permitted to seek the consent of the relevant Endeavour Fund advisory committee to approve conflicts associated with such transactions and accordingly not all Investors will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Endeavour Fund investments, to the extent such transactions are not consummated, the applicable Endeavour Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

## **Item 9. Disciplinary Information**

Endeavour is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of Endeavour or the integrity of Endeavour's management. Endeavour has no legal or disciplinary information to disclose at this time.

## **Item 10. Other Financial Industry Activities and Affiliations**

As described in Item 4 above, each of the General Partners is a related person or entity of Endeavour that serves as a general partner, or in a similar managerial capacity, on behalf of one or more of the Endeavour Funds, and, together with Endeavour, provides investment management and administrative services to the Endeavour Funds. As described in Item 6, the General Partners are entitled to receive performance-based compensation from the Endeavour Funds, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

As described elsewhere in this Brochure, Endeavour generally seeks to make significant investments in portfolio companies. Endeavour typically seeks control or substantial minority positions in portfolio companies, with board representation and customary shareholder rights. As such, Endeavour's management persons may have management roles with portfolio companies. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Endeavour Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Endeavour and such individual's duties as a director or officer of such portfolio company.

Endeavour does not recommend or select other investment advisers for the Endeavour Funds.

Endeavour from time to time serves as an investment manager to certain co-invest vehicles that invest alongside the Endeavour Funds in certain portfolio companies. Certain Endeavour affiliates and Endeavour personnel, third party investors and other persons are permitted to participate in the co-invest vehicles. In circumstances where an entire investment could be made by an Endeavour Fund, Endeavour will potentially still allocate a portion of such investment to one or more co-invest vehicles or other co-investors in accordance with such Fund's Governing Documents and Endeavour's investment allocation policies if

Endeavour believes in its good faith judgment that the full investment by the Fund would not be in the best interests of the Fund or that a particular co-investor would add value to the Fund or the investment. Investors that participate in co-investments may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the applicable Fund. Co-investment opportunities typically will be offered to some and not to other Investors, and Endeavour's process likely will result in certain Investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Endeavour Fund, and Endeavour expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Endeavour Fund because (i) co-invest opportunities generally appeal to Investors and third parties, (ii) to the extent co-investments made by Investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of the applicable Fund Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents.

Certain Endeavour personnel have ownership interests in True West Capital Partners Fund I, L. (the "Initial True West Fund" and together with the Successor True West Funds, as defined below, the "True West Funds") through Endeavour Capital SEAM I, LLC, the majority owner of True West Capital Partners GP I, LLC (the "Initial True West Fund Manager"), which serves as the general partner of the Initial True West Fund. As such, those personnel are entitled to performance-based compensation from the Initial True West Fund. The Initial True West Fund is a private investment fund focused on structured equity and mezzanine investments that are determined to be outside the parameters of the primary equity focus of the Endeavour Funds.

Certain Endeavour personnel also have ownership interests in True West Capital Partners Fund II, LP ("True West Fund II" and together with any successor fund sponsored by True West, the "Successor True West Funds") through Endeavour SEAM II, LLC which in turn is a minority owner of True West Capital Partners GP II, LLC ("True West II Fund Manager" and, together with any other general partner entities of the True West Successor Funds, the "Successor True West Fund Managers") which serves as the general partner of True West Fund II. Similarly, certain Endeavour personnel have interest in Endeavour True West Capital Partners III, LLC which is invested in True West Capital Partners Fund GP III, LLC. As such, those personnel are entitled to performance-based compensation from True West Fund II and True West Fund III. True West Fund II and True West Fund III are organized for the purpose of operating as a small business investment company under the Small Business Investment Act of 1958, as amended.

Additionally, certain Endeavour personnel are direct investors in the Initial True West Fund and/or True West Fund II and True West Fund III.

As a result of their equity ownership in the Initial True West Fund Manager and True West II Fund Manager, and True West III Fund Manager, these Endeavour personnel financially participate indirectly in the investments of the Initial True West Fund and True West II Fund, respectively. Endeavour personnel potentially will receive ownership interests (directly or indirectly) in Successor True West Fund Managers and accordingly potentially will financially participate in the investments of Successor True West Funds as well.

The interests of True West and the Endeavour personnel participating economically in True West and the True West Fund Managers may at times be in conflict with those of the Endeavour Funds with respect to certain investment opportunities which could be available to both the Endeavour Funds and the Initial True West Fund or its successor funds. These potential conflicts of interests create an incentive for Endeavour or True West to seek to allocate an investment opportunity to either the Endeavour Funds or the True West

Funds in a manner inconsistent with the investment objectives of those funds or to cause either the Endeavour Funds or the True West Funds to co-invest in an investment opportunity in order to protect the interest of the other.

Endeavour takes a number of steps to mitigate these conflicts of interest associated with its relationship with True West. First, no Endeavour personnel participate in the day-to-day management or control of True West and similarly no True West personnel participate in the day-to-day management or control of Endeavour. Further, Endeavour Capital personnel do not participate in any investment decisions regarding any True West Fund's portfolio (and vice versa). Endeavour Capital personnel are not permitted to participate on the investment committees for any True West Funds (and vice versa).

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

### **Code of Ethics**

Endeavour has adopted a Code of Ethics ("Code") in order to establish the standard of conduct expected of its employees in light of the duties of Endeavour and its affiliates to the Endeavour Funds. The Code sets forth standards of conduct based on ethical and professional principles that are expected of all employees and addresses potential conflicts of interest that may arise during their employment. The Code is designed to comply with the requirements of Rule 204A-1 under the Advisers Act.

Among other things, the Code defines Endeavour's policies regarding employees' relationships with the Endeavour Funds and other financial services firms, receiving gifts from business associates, employees' involvement in outside business activities, and under what circumstances employees may accept speaking fees and other perquisites.

Endeavour's Code is based on the underlying principle that Endeavour and its employees owe a fiduciary duty to the Endeavour Funds for which Endeavour and/or its affiliates serve as a general partner and/or investment adviser, which the Code explains in more detail. As fiduciaries, Endeavour's employees are required to place the interests of the Endeavour Funds first, conduct their personal securities transactions in full compliance with the Code, avoid taking inappropriate advantage of their position, comply with applicable federal securities laws, and avoid conflicts of interest. The specific policies and procedures in the Code that Endeavour has adopted to govern personal trading of Endeavour's employees and their immediate family members were designed to address, manage, and mitigate potential conflicts of interest that may arise in connection with employees or their related persons trading or maintaining positions of beneficial ownership in securities for personal accounts.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by employees. Employees must provide Endeavour's CCO with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an employee. In addition, Endeavour's employees must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

Endeavour's employees are permitted to make certain securities transactions in their personal accounts. This presents potential conflicts in that an employee could make improper use of information regarding an Endeavour Fund's holdings or future transactions or research paid for by the Endeavour Funds. Further, an employee could theoretically take for himself or herself an investment opportunity available to a Fund. Endeavour manages the potential conflicts of interest inherent in employee personal trading by rigorous enforcement of its Code, which contains pre-clearance and reporting requirements for employees.

Endeavour's personnel may, at times, come into possession of material non-public information through a number of means, including as a result of sitting on or serving as an observer to the board of directors of a

portfolio company of an Endeavour Fund. Endeavour has adopted policies addressing the handling and protection of material non-public information. Endeavour and its employees are prohibited from using such information to buy or sell securities until the information has been adequately disclosed to the public or is no longer material. This may cause Endeavour to be unable to dispose of or otherwise take action with respect to an investment at a given time, even if such action were in the best interests of applicable Endeavour Funds.

In certain circumstances, Endeavour will conclude that certain transactions in a particular security need to be restricted and therefore the security should be placed on the “restricted list.” While a security is on the restricted list, Endeavour is permitted to prohibit purchases, sales, or other transactions in the security by Endeavour personnel. The reasons for placing a security on the restricted list include, but are not limited to, (i) preventing the appearance of impropriety in connection with trading decisions, and (ii) preventing the use, or appearance of the use, of inside information.

Each employee is required to acknowledge the receipt of the Code and any amendments, and receives periodic Code training.

Current or prospective clients may obtain a copy of the Code by contacting Endeavour’s CCO.

### **Participation in Client Transactions**

As described in Item 4 above, an Endeavour affiliate serves as the General Partner of each Endeavour Fund. These General Partners also commit capital to the Endeavour Funds, and as a result every investment made by an Endeavour Fund involves a purchase of securities whereby related persons of Endeavour indirectly acquire an indirect interest in such securities. The principal owners and other employees of Endeavour may also invest directly in certain of the Endeavour Funds.

While the fact that Endeavour’s related persons have financial interests in the Endeavour Funds could cause Endeavour and/or the General Partners to make different investment decisions than if financial ownership interest did not exist, Endeavour believes that these financial interests align Endeavour’s and the General Partners’ incentives with the other investors of the Endeavour Funds.

Endeavour personnel are generally not permitted to hold interests in Endeavour Fund portfolio companies outside of their indirect interests through General Partners or through their investment in Endeavour Funds. However, Endeavour Funds may invest in companies in which related persons of Endeavour have invested. Such investments will only be made if the terms of the applicable Fund Agreements permit such investment.

An Endeavour Fund’s General Partner generally is permitted to receive a distribution in kind from such Endeavour Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Endeavour Fund’s limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Endeavour deems suitable for the Endeavour Fund. Although such General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following such Endeavour Fund’s disposition thereof, neither the relevant Endeavour Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the relevant General Partner and its beneficial owners could exceed the value of the General Partner’s pro rata interest in the Endeavour Fund and the amount of carried interest owed. To the extent the beneficial owners of a General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the relevant Endeavour Fund or its limited partners.



As described in Item 5 above, Endeavour or the General Partners are entitled to certain break-up, topping, investment banking, transaction, monitoring, directors', advisory, consulting or other similar fees in connection with portfolio investments of the Endeavour Funds as compensation for financial advisory and similar services provided by them to the Endeavour Funds' portfolio companies. While the Management Fees payable by the Endeavour Funds to Endeavour may be offset by a portion of such fees pursuant to the applicable Fund Agreement, Endeavour further mitigates this conflict of interest by negotiating such fees with such portfolio company and generally seeking to ensure that such fees are, in the good faith opinion of Endeavour, in accordance with prevailing market rates in the relevant industry, though Endeavour undertakes no minimum amount of benchmarking in connection with the foregoing, and does not represent that if it elects to engage in any such benchmarking, the results ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Endeavour does not take into consideration whether a portfolio company will pay Endeavour or its affiliate a services fee when making an investment determination.

### **Client Transactions with Parties with whom Endeavour has Existing Relationships**

In certain circumstances, Endeavour or the General Partners may cause an Endeavour Fund to engage in transactions with parties with whom Endeavour and/or its personnel have existing business or personal relationships. These relationships may create conflicts of interests in connection with such transactions. Endeavour and its affiliates seek to ensure that the terms of any such relationship are no less favorable to the Endeavour Funds than could be obtained in an arm's length transaction. To the extent that Endeavour is aware of a relationship that would reasonably be expected to present a material conflict of interest in connection with a transaction with an Endeavour Fund, Endeavour potentially will consult with the advisory committee of the applicable Endeavour Fund regarding such conflict.

Endeavour, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Endeavour and/or its affiliates and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Endeavour entities, whether or not relating to financing Endeavour personnel obligations to fund General Partner commitment obligations) to Endeavour personnel and their estate planning vehicles. Endeavour expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Endeavour information about markets and industries in which Endeavour operates (or is contemplating operations) or will provide other services that are beneficial to Endeavour or one or more other Funds. For example, Endeavour reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow.

### **Business with Portfolio Companies**

From time to time, portfolio companies of the Funds offer Endeavour, its employees and their respective related persons products and services at a discounted price or on better terms that would not be offered to a third party retail customer in an arm's length transaction. Such discounted price or better terms could

potentially adversely affect the returns of such portfolio companies and, in turn, the returns of the Funds, though Endeavour does not expect any such impact to be material.

## **Item 12. Brokerage Practices**

The private company securities which are the primary investments by the Endeavour Funds are generally purchased in private placement transactions, without the assistance of a broker-dealer and without the payment of brokerage commissions or dealer mark-ups. However, from time to time, Endeavour or the General Partners may advise the Endeavour Funds regarding the purchase or sale of publicly-traded securities, including in connection with investments in portfolio companies through transactions that include the purchase or sale of publicly-traded securities in order to acquire or dispose of such portfolio companies. Endeavour has adopted policies and procedures reflective of its duty to execute trades in publicly-traded securities in a manner designed to seek best price and execution.

In general, Endeavour and the General Partners do not measure best execution solely by reference to commission rates or price, but rather considers a number of factors, including but not limited to: the nature and type of security or instrument being traded; the size and type of transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; the state of the relevant market; and trade execution, clearance, and settlement capabilities as well as other characteristics of the broker or dealer. In determining whether a particular broker or dealer is likely to provide best execution for a particular trade, Endeavour may take into account, among other factors: the overall reputation, experience, reliability, and financial stability of the broker or dealer; the quality of the broker's or dealer's relationship with Endeavour; the broker's or dealer's expertise; the ability to maintain Endeavour's anonymity when executing a trade; the quality of execution; the quality of service from prior transactions; the belief that the broker or dealer charges a fair and reasonable fee for each trade (including based on prior trades); and the broker's or dealer's longevity of presence in the market.

Endeavour and the General Partners have no duty or obligation to seek competitive bidding for the most favorable commission rate applicable to any particular transaction, or to select any broker on the basis of its commission rate. The limited trading of Endeavour and its affiliates may involve specialized services on the part of the broker involved and would thereby entail commissions, or their equivalents, greater than would be the case with other transactions requiring more routine services. Because of such factors, paying a broker a higher commission rate than another broker might charge may be appropriate if the difference in cost is reasonably justified in seeking what is in the best long-term economic interests of an Endeavour Fund.

When executing a transaction on behalf of an Endeavour Fund, Endeavour and the General Partners will take all reasonable steps to ensure that the broker or dealer is reliable and that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature.

Neither Endeavour nor the General Partners, as a matter of policy, effect soft dollar transactions or enter into soft dollar arrangements in respect of transactions for any Endeavour Funds. If Endeavour or the General Partners determine to do so, it will be done within the "safe harbor" protection provided by Section 28(e) of the Securities Exchange Act of 1934. While Endeavour and the General Partners may receive proprietary research from certain brokerage firms, it does not take the value of such research into account in selecting brokers.

Neither Endeavour nor the General Partners currently compensate broker-dealers or third parties for client referrals. Client referrals are not a factor in the broker-dealer selection process for a particular public securities transaction.

Endeavour and the General Partners have complete discretion in selecting a broker or dealer for a securities transaction and determining the commission to be paid in connection with that transaction.

Endeavour and the General Partners aggregate orders for purchase or sale of a security as deemed appropriate, only if it is in the best interest of the applicable Endeavour Funds and in accordance with each Endeavour Fund's Fund Agreements.

### **Item 13. Review of Accounts**

Endeavour's investment professionals, comprised of its managing directors, principals and associates, are responsible for monitoring the investments of each Endeavour Fund on a quarterly and other periodic basis.

Investors in the Endeavour Funds typically receive, among other things, a copy of the relevant Fund's audited financial statements on an annual basis. Additionally, investors typically receive a quarterly reporting package, which includes a copy of the relevant Fund's unaudited financial statements and commentary regarding performance of the portfolio companies of the relevant Endeavour Fund.

### **Item 14. Client Referrals and Other Compensation**

Endeavour engaged the services of Houlihan Lokey Capital, Inc ("Houlihan Lokey") as a placement agent to assist in the solicitation of prospective investors for Fund VIII. Houlihan Lokey received compensation equal to 1.75% multiplied by the aggregate capital commitments up to \$150 million by Prospective Investors. A "stepdown rate" of 1.25% was applied to aggregate capital commitments above \$150 million. Additionally, Houlihan Lokey, its affiliates and their respective employees were permitted some limited participation in Endeavour Executive Fund VIII, L.P.. Any cash payments to solicitors of clients were made in accordance with Rule 206(4)-3 under the Advisers Act.

### **Item 15. Custody**

An Endeavour affiliate serves as the general partner of each Endeavour Fund, therefore, Endeavour is deemed to have constructive custody of the assets of the Endeavour Funds. Endeavour and its affiliates comply with the custody requirements in accordance with Rule 206(4)-2 under the Advisers Act.

All of the Endeavour Funds' assets, save for certain uncertificated securities purchased in private transactions, are held with a "qualified custodian," as defined in the applicable custody rules, which generally includes a bank or broker-dealer.

Endeavour is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the custody rule because each of the Endeavour Funds are audited each year by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB"). Endeavour distributes financial statements to investors in each Endeavour Fund annually, within 120 days of the end of each Endeavour Fund's fiscal year.

### **Item 16. Investment Discretion**

The Fund Agreement of each Endeavour Fund or applicable Investment Management Agreement grants to Endeavour or the applicable General Partner full discretionary authority to manage the day-to-day investment operations of such Endeavour Fund in accordance with the terms and conditions of the applicable Fund Agreement. Investors in an Endeavour Fund may not impose any limitations on such authority, other than any limitations which are negotiated at the time of the organization of an Endeavour Fund and set forth in the applicable Fund Agreement.

## **Item 17. Voting Client Securities**

Given the nature of Endeavour's private equity investments, Endeavour does not expect to receive requests to act as proxy in a proxy voting capacity. However, Endeavour has established policies and procedures to govern how Endeavour or the General Partners will act to the extent it is requested to act as proxy in a proxy voting capacity. Endeavour's proxy voting policy and procedures also include provisions to manage potential conflicts of interest in connection with the proxy voting requests received by Endeavour.

Generally, the applicable General Partner is provided with the voting authority and discretion to engage in proxy voting with respect to the securities owned by each Endeavour Fund. In such cases, each proxy voting proposal received by an Endeavour Fund is thoroughly reviewed in order to ensure that each such vote is voted in the best interests of the Endeavour Fund holding the applicable securities.

Endeavour proxy voting policies, procedures, and voting history are available to any Endeavour Fund investor, upon request by contacting Endeavour's CCO, subject to the provision that they are subject to change at any time without notice.

Endeavour and/or its personnel may occasionally have business or personal relationships with the proponents of proxy voting proposals, participants in proxy voting contests, corporate directors and officers, or candidates for directorships. Any conflicts of interest relating to proxy voting, regardless of whether actual or perceived, will be addressed in accordance with these policies and procedures. The guiding principle by which a General Partner votes in any proxy voting capacity is the maximization of the ultimate long-term economic value of the relevant Endeavour Fund and does not permit proxy voting decisions to be influenced in any manner contrary to, or dilutive of, this guiding principle.

It is the general policy of Endeavour to vote or give consent on all matters presented to security holders in any instance of proxy voting. However, Endeavour reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Endeavour investment professionals, the costs associated with providing proxy voting outweigh the benefits to an Endeavour Fund, or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the relevant Endeavour Fund.

## **Item 18. Financial Information**

Endeavour and its affiliates do not require or solicit prepayment of any advisory fees six months in advance. There are no financial conditions that are reasonably likely to impair Endeavour's ability to meet contractual commitments to its clients.

Endeavour has not been the subject of any bankruptcy petition.

## **Item 19. Requirements for State-Registered Advisers**

Endeavour is not registered with any state securities authority.