



Kinzie Capital Partners LP

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This brochure provides information about the qualifications and business practices of Kinzie Capital Partners LP and its affiliated entities (collectively, “Kinzie” or “the Firm”). If you have any questions about the contents of this brochure, please contact us at (312) 809-2490. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of Kinzie or its personnel.

Additional information about Kinzie also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure is being provided as an update to the Brochure previously filed in October 2022. This Brochure contains minor updates since the previous Brochure including updates to the description of Kinzie's business and risk factors applicable to investing with Kinzie. Kinzie routinely updates this Brochure to improve and clarify Kinzie's business practices, compliance policies and procedures, as well as to respond to evolving industry best practices. Kinzie will update this Brochure no less than annually.

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Item 4. Advisory Business

Kinzie Capital Partners LP is a Chicago-based investment adviser that provides strategic private equity services focused on lower-middle market companies amidst transition in the manufactured products, business services and consumer industries. Kinzie Capital Partners LP previously operated under the name of Kinzie Capital Partners LLC; Kinzie Capital Partners LP filed a Certificate of Conversion with the Secretary of State of Delaware on September 19, 2022, to officially change its corporate designation.

Kinzie serves as an investment adviser to Kinzie Fund II L.P. and Kinzie Fund II-A L.P. (collectively, “Fund II”), Kinzie Co-Invest Fund L.P. (the “Co-Invest Fund”), and certain other vehicles as further described herein below. The Co-Invest Fund is exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(1) of the Investment Company Act. Fund II is exempt from registration under the Investment Company Act, pursuant to Section 3(c)(7) of the Investment Company Act.

Kinzie Capital Management LLC, an affiliate of Kinzie Capital Partners LP, is listed as a relying adviser on Form ADV.

Pursuant to the position expressed in the American Bar Association SEC No-Action Letter (January 18, 2012) (“ABA No-Action Letter”), this brochure describes the advisory services provided by Kinzie Capital Partners LP as a filing adviser, Kinzie Capital Management LLC as relying adviser, and the general partners, which collectively operate as a single advisory business together:

- Kinzie Capital LLC (the “Co-Invest Fund GP”)
- Kinzie Capital II L.P. (the “Fund II GP,” and together with the Co-Invest Fund GP, the “General Partners”)
- Kinzie Capital Partners LP (the “Manager”)
- Kinzie Capital Management LLC (the “Relying Adviser”)

The limited partnership agreements of Co-Invest Fund and Fund II allow the General Partners of Co-Invest Fund and Fund II to establish one or more co-investment vehicles (each, a “Co-Investment Vehicle” and collectively the “Co-Investment Vehicles”) to facilitate additional investments by certain investors in some or all of the investments made by the Funds. Co-Investment Vehicles are generally structured as limited partnerships, limited liability companies or other similar entities. In addition, Kinzie advises on one or more non-fund investment vehicles (“Non-Fund Investment Vehicles,” and together with Co-Invest Fund, Fund II, the Co-Investment Vehicles and the Non-Fund Investment Vehicles, the “Funds”) which are outside the parameters of the Co-Invest Fund’s and Fund II’s strategy, with other third-parties. Kinzie advises such Co-Investment Vehicles and Non-Fund Investment Vehicles, and the Co-Invest Fund GP currently serves as the manager and carried interest vehicle to each such Co-Investment Vehicle and Non-Fund Investment Vehicle. The Co-Investment Vehicles and the Non-Fund Investment Vehicles are exempt from registration under the Investment Company Act pursuant to Section 3(c)(1).

Investment advice is provided directly to each Fund itself and not to the individual investors in the Funds. Kinzie tailors its advisory services to the individual needs of each Fund but not to the individual needs of underlying investors. Kinzie manages all of the Funds in accordance with the investment objectives and limitations set forth in each Funds’ offering memoranda, limited liability company agreement, limited partnership agreement, governing documents, subscription agreements, side letters, and any investment

management agreement between Kinzie and the Fund (“Operative Documents”). Any capitalized terms used herein without definition are defined in the Operative Documents. The advice provided by Kinzie and its employees is limited to the types of investments described in the Operative Documents.

The limited partners in Co-Invest Fund and Fund II and the members in the Co-Investment Vehicles and Non-Fund Investment Vehicles may hereinafter be referred to as “Investors”.

Kinzie does not participate in wrap fee programs.

As of December 31, 2022, Kinzie managed approximately \$260,305,142 of regulatory assets on a discretionary basis. Kinzie does not manage any investments on a non-discretionary basis.

Item 5. Fees and Compensation

Kinzie receives compensation from a combination of management fees, carried interest allocations, and other fees payable by or in respect to portfolio or prospective portfolio companies. The Operative Documents set forth in detail each Funds' fee and expense structure, and Investors should consult these documents for further information on fees and expenses.

Management Fees

Fund II will pay the Manager an annual management fee (the "Management Fee"), payable quarterly in advance, equal to two percent (2%) of the aggregate capital commitments held by Investors in Fund II not designated as "affiliated partners" by the General Partner.

Co-Invest Fund pays the Relying Adviser (or a designee thereof) a one-time fee equal to two percent (2%) of the enterprise value of portfolio companies attributable to the Co-Invest Fund. In addition, the Non-Fund Investment Vehicles and Co-Investment Vehicles pay the Relying Adviser (or a designee thereof) various management fees as set forth in each of their respective Operative Documents.

Neither the General Partners, Kinzie, its affiliates nor any of its respective directors, officers, managers or employees are expected to bear any portion of the Management Fee.

Other Fees

Kinzie is generally entitled to receive directors' fees, financial consulting fees or advisory fees, transaction fees, and break-up fees, each as defined in the Operative Documents. This does not include any amounts received by the Operations Group (as defined in the Fund II Operative Documents), any Kinzie personnel or any other person from a portfolio company as reimbursement for expenses directly related to such portfolio company or a prospective portfolio company, as payment for services provided to any portfolio company in the ordinary course of such portfolio company's or prospective portfolio company's business or as compensation for services provided by the Operations Group, any Kinzie personnel or any other person as an employee of or in a similar capacity for such portfolio company or any of its subsidiaries.

From the Management Fee, Kinzie shall bear all normal expenses incurred in connection with the management of the Funds, except for those expenses borne directly by the Fund(s) as set forth in the Operative Documents.

The Funds generally will pay, or reimburse, the General Partners (or an affiliate thereof) for the Funds' and its affiliated entities' structuring, organizational, funding and startup expenses (as further set forth in the Operative Documents), including travel, lodging, meals, entertainment, printing, mailing, courier, legal, capital raising, accounting, regulatory compliance, environmental, social and governance compliance, any administrative or other filings, and other organizational expenses. The Funds will also bear expenses of the type described in the preceding sentence to the extent incurred by any placement agent. For Fund II, the Fund II GP (or its affiliate) will bear the cost (through an offset against the Management Fee or otherwise) of all such organizational expenses in excess of \$2 million, if any, and of any placement fees ("Placement Fees") payable to any placement agent in connection with the formation of the Funds.

Management Fee Offset

To reflect the reduced time and effort Kinzie or its members will devote to Fund II by reason of performing services as a director or consultant to portfolio companies or former portfolio companies, the amount attributable to Management Fee-paying Investors of any directors' fees or consulting fees, break-up fees, broken deal, "topped bid," investment banking or equivalent compensation paid, whether in cash or in kind, received by the Fund II GP or the Manager, a partner of the Fund II GP or the Manager (so long as they are a partner thereof) or any officer or employee from any company in which Fund II then holds an interest (other than direct reimbursement of out-of-pocket expenses), but only to the extent such fees or other amounts would not, if earned directly by Fund II, cause Fund II to cease to qualify as an "investment partnership" within the meaning of Section 731(c)(3)(C) of the US Code (hereinafter, "Fees Subject to Offset") shall be offset against and reduce the amount of the management fee payments next due to Kinzie pursuant to the sections above until such Fees Subject to Offset have been offset, unless waived by the Fund II Advisory Board (as defined in Fund II's Operative Documents).

The Management Fee will be reduced by an amount equal to eighty percent (80%) of Transaction Fees attributable to Investors not designated as "affiliated partners" by the Fund II GP. "Transaction Fees" include any:

- (i) Directors' fees, financial consulting fees or advisory fees paid to the Fund II GP or the Manager with respect to any actual or potential Fund II investment;
- (ii) Transaction fees paid to the Fund II GP or the Manager with respect to any actual or potential Fund II investment; and
- (iii) Break-up fees with respect to Fund II transactions not completed that are paid to the Fund II GP or the Manager, in each case net of certain expenses (including those described below) as set forth in the Operative Documents.

"Transaction Fees" do not include, in any event:

- (i) Any amount received by the Fund II GP, the Manager or other person from a portfolio company:
 - (a) As reimbursement for expenses directly related to such portfolio company or prospective portfolio company;
 - (b) As payment for services provided to such portfolio company or prospective portfolio company in the ordinary course of such portfolio company's business; or
 - (c) As compensation for services provided by the Fund II GP, the Manager or other person as an employee of or in a similar capacity for such portfolio company or prospective portfolio company; or
- (ii) Any fees, expenses or compensation (including fees, incentive equity, stock awards or other non-cash compensation) paid to, or received by, members of the Operations Group from Fund II or any portfolio company or prospective portfolio company and any other fees or expenses approved by the Fund II Advisory Board.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the Fund II GP or the Manager in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

Any Transaction Fees with respect to an investment or potential investment (including a transaction not consummated) shall be allocated to Fund II (and offset against the Management Fee as described above) only to the extent of Fund II's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis. Accordingly, Fund II will, in most cases, only benefit from the

Management Fee reduction described above with respect to its allocable portion of any such Transaction Fee and not the portion allocable to any other person that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment.

The Operative Documents of the Funds permit Kinzie or the General Partners to waive or agree to reduce the Management Fee. For Fund II, certain waived portions of the Management Fee are treated by the Operative Documents as a capital contribution by the Fund II GP, which is effectively invested in Fund II on Fund II GP's behalf and operates to reduce the amount of capital that the Fund II GP would otherwise be required to contribute to Fund II. The Investors in Fund II would, in such circumstances, be required to make a pro rata contribution according to their respective capital commitments to fund any contribution that would otherwise be required of Kinzie in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of Investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Kinzie and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed/not be fully realized by Investors in Fund II, resulting in a net additional benefit to Kinzie.

Carried Interest

As described in Item 6 below, the General Partners are entitled to be allocated carried interest ("Carried Interest") with regard to the Funds, which generally equals a specified percentage of realized profits net of all expenses and is subject to preferred return and catch-up provisions. Each Fund's Carried Interest arrangement may differ, and each calculation is further described in the relevant Fund's Operative Documents.

Certain Operative Documents permit Kinzie or the General Partners to waive or agree to reduce the Carried Interest.

Expenses

Generally, all organizational expenses and certain enumerated partnership expenses (as defined below) shall be paid by the Funds. To the extent that the General Partners, Kinzie or any of their affiliates pays any organizational expenses or partnership expenses on behalf of the Funds, the Funds shall reimburse the General Partners, Kinzie or such affiliate, as the case may be, upon request. All Firm overhead and similar expenses shall be paid by the General Partners or the Firm. For avoidance of doubt, Kinzie will pay normal operating overhead, including salaries of its employees and rent and other expenses incurred in maintaining its place of business.

Kinzie will allocate fees and expenses to be borne by the Funds in accordance with the Operative Documents or, to the extent the Operative Documents do not expressly provide for a method of allocation, as determined by Kinzie in good faith and in its fair and reasonable discretion in accordance with its internal policies and procedures.

Please refer to the Funds' Operative Documents for further information regarding the fees and expenses of Kinzie and the Funds.

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

When certain performance hurdles are met, the General Partners of such Fund is entitled to receive a distribution of the investment proceeds as performance-based incentive compensation.

Kinzie will allocate a portion of the net realized investment profit of each Fund to the capital account of the Funds' respective General Partner as Carried Interest. The precise manner of calculation of such Carried Interest is disclosed in the pertinent Operative Documents. Generally, however, twenty percent (20%) of the investment profits of Fund II are allocated as Carried Interest to the Fund II GP subject to providing Investors with a portion of its capital contributions. For investment profits attributable to the Co-Invest Fund, generally, ten percent (10%) of the investment profits are allocated as Carried Interest to the Co-Invest GP. For investment profits attributable to the Co-Investment Vehicles and Non-Fund Investment Vehicles, a portion of the investment profits as set forth in corresponding Operative Documents are allocated as Carried Interest to the Co-Invest GP.

The General Partners may, in their discretion, waive all or any portion of the Carried Interest that is attributable to any Investor. In addition, neither the General Partners, the Manager, its affiliates nor any of its respective directors, officers, managers or employees are expected to bear any portion of Carried Interest.

For more information regarding the specific terms of the Carried Interest, please consult the Operative Documents for the Funds.

The Carried Interest is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act. Accordingly, Kinzie seeks to ensure that Investors in the Funds that are directly or indirectly assessed Carried Interest satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

Item 7. Types of Clients

Kinzie provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act.

The Investors participating in the Funds come from a diversified base of institutional Investors including university endowments, insurance companies, public pensions, corporate pensions, foundations, asset managers, family offices, and fund of funds. They also include Kinzie employees, members of their families, and operating advisors.

Each Investor is required to meet certain suitability requirements. Interests in the Funds are sold only to Investors who meet qualification requirements under applicable securities laws. An investment in one or more Funds should be based on a prospective Investor's careful analysis of its overall portfolio and its own objectives and needs in the areas of diversification, liquidity, return on investment and risk management.

The Co-Invest Fund, the Co-Investment Vehicles and the Non-Fund Investment Vehicles generally limit their Investors to "accredited investors" as defined in the Securities Act of 1933, as amended (the "Securities Act"). Fund II generally limits its Investors to (i) "accredited investors" as defined in the Securities Act, (ii) "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act and (iii) "qualified clients", as defined in the Advisers Act. Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act; the Funds' securities are not registered or required to be registered under the Securities Act and are privately placed to qualified investors in the United States and elsewhere.

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

Kinzie will continue its control-oriented strategy to make, lead or co-lead majority control or structure-for-control minority investments. The Funds' investments may include recapitalizations of companies engaged in financial or operating restructuring, acquisitions of public or private companies, equity for expansion of promising growth companies, management buyouts, industry consolidations, build-ups, structured senior investment with equity-like returns and secondary direct investments. Kinzie believes that the Funds will generate significant long-term capital gains for Investors by identifying true discounts to intrinsic value, understanding and mitigating risks, actively building value in partnership with portfolio company management teams and achieving successful exits.

Kinzie's investments are catalyzed by a consistent set of core and enhanced factors. Kinzie is identifying larger deal opportunities where a flexible, value-driven approach provides a unique advantage in the market and prioritizes investment opportunities at favorable valuations, with the ability to effect change at the operating level.

Set forth below, as well as in other items in this brochure, is a summary of some of the investment risks disclosed in greater detail in each of the Funds' Operative Documents. Please refer to each of the Funds' Operative Documents for more information on these and other risks relating to Kinzie's business and investments in the Funds.

General Investment Risks

Business and Market Risk. A substantial portion of the Funds' investments will be in private equity or private equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors and events that are inherently difficult to predict, such as changes in law or domestic or international economic and political developments, may significantly affect the results of the Funds' activities. In addition, the Fund's strategy for a portfolio company may involve an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty.

Competition for Investments. The Funds may encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, business development companies, strategic industry acquirers, family offices and other financial Investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over the Funds in bidding for investments, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Funds as well as an ability to achieve synergistic cost savings in respect of an investment.

Illiquidity; Lack of Current Distributions. An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. While it may be possible for a portfolio company to be sold at any time, it is generally expected that such a sale will not occur until a number of years after the Funds' initial investment in such portfolio company, and the Funds generally will not be able to realize a profit on an investment in a portfolio company until its sale. Before such time, there may be no current return on such investment, and the expenses of operating the Funds (including the Management Fee) may

exceed the Funds' income, thereby requiring that the difference be paid from the Funds' capital (including the aggregate unfunded capital commitments).

The Funds' ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Funds invest and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors. Public offering, merger and acquisition, and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Funds generally will not be able to return capital or realize gains, if any, on an investment in a privately held entity until the partial or complete disposition of such entity.

Availability of Financing. The Funds' ability to invest in companies depends on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the Funds' ability to consummate these transactions and would adversely affect the Funds' returns.

Enhanced Scrutiny and Additional Regulatory Risks. Following global market volatility and dislocations, financial institution failures and financial frauds in recent years, governmental authorities in the United States and elsewhere have called for financial system and participant regulatory reform, including additional regulation of investment funds (which could include the Funds), their managers (such as the Manager) and their activities, including compliance, risk management and anti-money laundering procedures; restrictions on certain types of investments; restrictions on the provision and use of leverage; implementation of capital requirements; and books and records, reporting and disclosure requirements. The ultimate effect of government actions cannot be predicted, but these regulatory reform measures could cause the Funds to incur significant expense to comply with such measures.

Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the United States or outside of it, could further increase the cost of acquiring, holding or divesting investments and the cost of operating the Fund, as well as harm the profitability of enterprises and interfere with the ability of the Funds to engage in certain transactions.

Cyber Security. The information technology systems of Kinzie, the Funds and/or their respective affiliates (including the Funds' 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 (including fires, tornadoes, floods, hurricanes and earthquakes). To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company could be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or apparent failure to address and

mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company or the Funds to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partners or one of their affiliates or service providers holding its financial or investor data, the General Partners, their affiliates or the Funds may also be at a risk of loss despite efforts to prevent and mitigate such risks under Kinzie's related policies.

Business Continuity and Disaster Recovery. Kinzie's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although Kinzie has implemented various measures to manage and mitigate risks relating to these types of events, there can be no assurances that all contingencies are accounted for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

Pandemic and Epidemic Outbreak Risks. Public health emergencies, including without limitation any outbreak, re-outbreak, or mutation of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other new or existing epidemic diseases, or the threat thereof, could have a significant adverse impact on Kinzie or the Funds. The extent of the impact of any public health emergency on the Funds' and Kinzie's operational and financial performance will depend on many factors, including the duration and scope of such public health emergency and the extent of any related travel advisories or restrictions. In addition to restrictions implemented, the impact of public health emergencies on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity may impact the operational and financial performance of the Funds. The effects of a public health emergency may materially impact the Funds, as well as their ability to source, manage, and divest investments or achieve their investment objectives. Furthermore, Kinzie or the Funds could be significantly impacted, or their business operations could even be temporarily or permanently halted, as a result of government quarantine measures, voluntary or involuntary restrictions on travel or meetings, and other factors related to a public health emergency and a governmental response thereto.

Clarity Partners Relationship. Kinzie maintains a relationship with Clarity Partners, LLC ("Clarity Partners"), a management consulting and technology implementation firm that is owned by David Namkung and Rodney Zech. Kinzie and Clarity Partners share an office located at 20 North Clark Street, Chicago, Illinois. In addition to the office space, certain employees of Clarity Partners provide certain back-office services to Kinzie, including, without limitation, reception, marketing, human resources and IT. Pursuant to both a Sublease and a Professional Services Agreement, Kinzie pays to Clarity Partners what the parties believe to be the fair market value for the office space and for the back-office services as described above provided to Kinzie by Clarity Partners.

For confidentiality purposes, (a) Kinzie maintains its own computers, scanners and printers and (b) each employee of Clarity Partners and of Kinzie who regularly works at 20 North Clark is required to sign an acknowledgement to the mutual non-disclosure agreement between Kinzie and Clarity Partners. Kinzie utilizes certain employees of Clarity Partners, as may be necessary, during the due diligence phase of a transaction to analyze and evaluate potential issues that relate to technology driven efficiency, innovation, data analytics, business intelligence and enterprise resource planning of the acquisition target. Upon acquisition of a portfolio company, Kinzie may engage various service providers that could execute the investment strategy and implement technology solutions to the issues that have been identified during the due diligence phase. Any such service providers will be selected in the best interest of the portfolio company, through a formal request for proposal process. Clarity Partners shall be permitted to submit a proposal to provide consulting and/or technology implementation services. Kinzie and the management

team of the portfolio company shall review all proposals and determine the optimal service provider at arm's length. Both Namkung and Zech will be recused from any such decision when a Clarity Partners' proposal has been submitted. Notwithstanding the foregoing, the relationship between Kinzie and Clarity Partners may create conflicts of interest for the Funds.

Risks Related to the Fund

Investments in Private Companies. The Funds' investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance; Loss of Principal. The performance of the Manager's prior investments is not necessarily indicative of the Funds' future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the expected risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Potential Lack of Diversification. The Funds' investments may be concentrated in specific business sectors and geographic regions. Concentration in limited business sectors and geographic regions involves risks greater than those generally associated with diversified acquisition funds, including the potential for significant fluctuations in returns based on market perception of the sector or region. Instability, fluctuation or an overall decline within such industries or geographic regions will likely not be balanced by investments in other industries and regions not so affected.

Dependence on Key Personnel. The Funds are highly dependent on the diligence, skill and network of business contacts of the senior personnel of Kinzie and the information and deal flow generated by such professionals in the course of their investment and portfolio management activities. The Funds' success will depend on the continued service of these investment professionals. The departure of a significant number of the investment professionals or of one or more of the senior personnel of Kinzie could have a material adverse effect on the Funds' ability to achieve its investment objectives.

Management by General Partners. All decisions with respect to the management of the Funds' assets and the operation of the Funds are made exclusively by the General Partners and Fund Managers. Investors have no right to participate in the management of the Funds or to make any decisions with respect to the investments to be made by the Funds. Consequently, Investors must rely entirely on the General Partners and Fund Managers with respect to the selection of investments and management of the Funds.

Boards of Companies. Members of the Firm may sit on boards of private and public companies within the same industry of the Funds' investments. All such activities will be reported internally and monitored.

Use of Leverage. Many of the Funds' investments will involve leveraged acquisitions, which by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Leverage generally magnifies all of the Funds' opportunities for gain and its risk of loss from its investment activities. Leverage increases the exposure of the Funds to adverse economic factors, such as rising interest rates, economic downturns or deteriorations in the condition of its portfolio companies or the industries in which they operate. The leverage provided will result in interest expenses and other costs incurred in connection with such borrowings, which may not be covered by available cash flow.

While leverage may enhance total returns to Investors, if investment results fail to cover borrowing costs, returns to the Investors will be lower than if there had been no such borrowings. Further, the Funds' portfolio companies may enter into loan agreements that generally impose a number of operating and financial restrictions on such companies. Such restrictions could affect, among other things, the ability of a company to incur additional indebtedness, pay dividends, issue stock, repay indebtedness prior to stated maturity, create liens, sell assets or engage in mergers or acquisitions, make certain capital expenditures and make investments in operating subsidiaries.

Investment in Junior Securities. The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made.

Lack of Transferability of Fund Interests. The interests in the Funds will not be registered under the Securities Act and therefore are subject to restrictions on transfer. In addition, the Funds are not obligated to redeem any interest, and the Operative Documents contain significant restrictions on the ability of any of the Investors to assign, sell, exchange or transfer any of its interests, rights or obligations with respect to its interests in the Funds without the prior written consent of the General Partners, whose consent may be given or withheld in the sole and absolute discretion of the General Partners. No market exists for the interests in the Fund, and none is expected to develop. Consequently, an Investor should not expect to liquidate its investment in the Funds readily and must be able to bear the economic risk of its investment in the Funds for a substantial period of time.

Contingent Liabilities on Dispositions. In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. The Funds may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate or for other matters. These arrangements may result in contingent liabilities for which the General Partners may establish reserves or escrows or which might ultimately have to be funded by the Investors making contributions to the Funds out of previous distributions from the Fund.

Investments Longer than Term. Certain of the Funds' investments may not be disposed of prior to the Funds' dissolution. Although the General Partners generally expect that investments will be disposed of prior to the Funds' dissolution or will be suitable for in-kind distribution at the time of the Funds' dissolution, the General Partners have a limited ability to extend the term of the Fund, and the Funds may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of its dissolution. To the extent that such investments are held in trust in connection with the Funds' dissolution, such trusts may incur operating and formation expenses. In addition, there can be no assurance with respect to the timeframe in which the Funds' wind down and final distribution of proceeds to the Investors will occur.

Indemnification. The General Partners, the Manager and their members, partners, employees, agents and affiliates will be entitled to indemnification from the Fund, except in certain circumstances. The assets of the Funds will be available to satisfy these indemnification obligations, and Investors may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of the Fund.

Risk Arising from Provision of Managerial Assistance. The Funds expect to take an active role in the management of its portfolio companies. The Funds expect to designate a representative to serve on the boards of directors of most portfolio companies. A board member designated by the Funds will likely have fiduciary duties to persons other than the Fund. The designation of directors and other measures

contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. While the General Partners intend to manage the Funds in a way that will minimize exposure to these risks, including seeking insurance against such risks, the possibility of successful claims cannot be precluded.

Dilution from Subsequent Closings. Investors admitted to, or that increase their respective capital commitments to, the Funds at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Investors in such investments. Although any such new Investor will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Funds' existing investments at the time of such contributions.

U.S. Tax Risks. Investors should review the tax implications in the Funds' Offering Memorandum. However, these documents alone may not address all tax considerations relevant to a particular Investor in light of their particular circumstances and the consequences to Investors of an investment in the Funds are complex. Accordingly, each prospective Investor is advised to consult its tax counsel as to the specific tax consequences of an investment in the Funds based upon its particular circumstances.

Consequences of a Default. If an Investor fails to pay when due installments of its capital commitment to the Funds, and the contributions made by non-defaulting Investors and borrowings by the Funds are inadequate to cover the defaulted Capital Contribution, the Funds may be unable to pay its obligations when due. As a result, the Funds may be subjected to significant penalties that could materially adversely affect the returns to the Investors (including non-defaulting Investors). If an Investor defaults, it may be subject to various remedies as provided in the Operative Documents, including, without limitation, reductions in its capital account balance, preclusion from further investment in the Fund, forced sale of its Fund interest at a discount to actual value and forfeiture of its Fund interest.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds reserve the right to determine to provide additional funds or otherwise increase its investment in such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that the Funds will make any follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any determination by the Funds to not make a follow-on investment or its inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for the Funds to increase its participation in a successful portfolio company or the dilution of the Funds' ownership in a portfolio company to the extent that a third party invests in such portfolio company.

Side Letter Variation of the Operative Documents. The General Partners have entered into "side letters" or similar agreements with certain Investors pursuant to which the General Partners grant to such Investors specific rights, benefits or privileges that are not made available to Investors generally, including, without limitation, arrangements with respect to waivers or reductions of the Management Fee and/or carried interest, the circumstances under which exclusion from investments in portfolio investments in portfolio companies or involuntary withdrawals from the Funds may be required, "most favored nation" rights (i.e., the right to receive favorable rights or economic arrangements, including co-investment arrangements, that may be afforded to other Investors) and the right to receive reports from the Funds on a more frequent basis or to receive reports that include information not provided to other Investors. Such arrangements will generally be based on such factors as the size and timing of an Investor's capital commitment, an Investor's

existing relationship with the Manager, or any particular regulatory or legal considerations applicable to an Investor; provided that the General Partners and/or the Manager may enter into such arrangements for any reason it deems necessary, advisable, desirable or convenient. Subject to applicable laws and regulations, such agreements will be disclosed only to those actual or potential investors that have separately negotiated with the General Partners for the right to review such agreements.

Fees and Expenses. The Funds will pay and bear all expenses related to its operations, including the Management Fee and the costs of holding, monitoring, maintaining and disposing of investments in portfolio companies, including investment banking fees and consulting fees, whether or not the Funds makes any profits. While it is difficult to predict the future expenses of the Fund, such expenses may be substantial and could surpass the Funds' operating income. In addition, such expenses will reduce the actual returns realized by Investors on their investments in the Funds and may, under certain circumstances, reduce the amount of capital available to be deployed by the Funds for investments. Such expenses include recurring and regular items, as well as extraordinary items for which it is difficult to budget or forecast. As a result, the aggregate amount of such expenses over the life of the Funds and/or the amount called at any one time by the General Partners in respect of such expenses may exceed expectations. Although certain enumerated organizational expenses of the Funds are separately categorized and may be subject to a limit under the Operative Documents, with all organizational expenses in excess of the limit being borne ultimately by the General Partners or the Manager, there are ongoing operating expenses to be borne by the Investors that are not classified as organizational expenses under the Operative Documents, including, for example, the costs and expenses of administering side letters entered into with Investors (including the process of distributing and implementing applicable elections pursuant to the "most favored nations" rights contemplated by the Operative Documents) and other expenses incurred in connection with Fund compliance.

Carried Interest. The existence of the General Partners' carried interest may create an incentive for the General Partners to operate the Funds in a riskier or more speculative manner than would be the case absent such arrangement.

Recycling; Reinvestment. During the Fund II or Co-Invest Fund investment period, the General Partners generally will have the right to recall certain capital returned or distributed by the Funds to the Investors, including to make additional investments. Accordingly, during the life of the Fund, an Investor may be required to make capital contributions in excess of its capital commitment (with certain limitations), and to the extent such recalled or retained amounts are invested, an Investor will be subject to the risks associated with such investments.

Counterparty Risk. There are risks involved in dealing with the banks, custodians, and broker-dealers, as well as other securities intermediaries engaged by Kinzie. Although Kinzie monitors the banks, custodians, broker-dealers, and securities intermediaries, and believes that they are appropriate banks, custodians, broker-dealers, and securities intermediaries, there is no guarantee that the banks, custodians, broker-dealers, and securities intermediaries, or any other banks, custodians, broker-dealers, or securities intermediaries that the Funds may use from time to time, will not become bankrupt, insolvent, or otherwise cease to operate normally. While the U.S. Bankruptcy Code, the U.S. Securities Investor Protection Act of 1970, regulatory agencies including the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation, and applicable bank insolvency laws seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a bank or broker-dealer, there is no certainty that in the event of a failure of a bank or broker-dealer that has custody of Fund assets the Funds would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of Kinzie or the integrity of Kinzie's management. Kinzie has no such legal or disciplinary events to disclose.

There have been no legal or disciplinary events to disclose that are material to an Investor's or prospective Investor's evaluation of Kinzie's advisory business or integrity of management.

Specifically, there has not been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Kinzie or a management person of Kinzie:

- was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
- is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
- was found to have been involved in a violation of an investment-related statute or regulation; or
- was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, Kinzie or a management person of Kinzie from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

There has also not been an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Kinzie or a management person of Kinzie:

- was found to have caused an investment-related business to lose its authorization to do business; or
- was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
 - denying, suspending, or revoking the authorization of Kinzie or a management person of Kinzie to act in an investment-related business;
 - barring or suspending Kinzie or a management person of Kinzie's association with an investment-related business;
 - otherwise significantly limiting Kinzie or a management person of Kinzie's investment-related activities; or
 - imposing a civil money penalty of more than \$2,500 on Kinzie or a management person of Kinzie.

Lastly, there has not been a self-regulatory organization ("SRO") proceeding in which Kinzie or a management person of Kinzie:

- was found to have caused an investment-related business to lose its authorization to do business; or

- was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Item 10. Other Financial Industry Activities and Affiliations

Kinzie nor any management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. In addition, Kinzie nor any management persons are registered, nor have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Item 11. Code of Ethics, Participation or Interests in Client Transactions & Personal Trading

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Kinzie adopted a Code of Ethics (referred to in this brochure as the “Code”) to ensure that Kinzie fulfills its role as a fiduciary to the Funds. The interests of the Funds must always be recognized, respected, and have precedence over those of Kinzie’s employees. The Code requires that Kinzie’s employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. Kinzie’s employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws, or the Firm’s policies, by Kinzie or its employees.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Kinzie’s personnel. The Code requires that personnel pre-clear certain public and private personal securities transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis, and submit reports to Kinzie regarding personal accounts and reportable securities holdings at least annually.

The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Employees are required to provide an annual written certification to Kinzie as to their agreement to comply with the Code. A copy of Kinzie’s Code is available upon written request to Kinzie at 20 North Clark Street 36th Floor, Chicago, Illinois 60602, Attn: Suzanne Yoon, Chief Compliance Officer.

Directors and Officers

Certain employees of Kinzie serve as directors or officers of entities through which investments by the Funds are held.

Co-Investment Opportunities

Kinzie offers co-investment opportunities in certain Fund investments to existing Investors or third parties. Co-investors will generally bear expenses related to the formation and operation of any Co-Investment Vehicle similar in nature to those borne by the other Funds. To the extent Kinzie or the General Partners receive any compensation or fees that are allocable to Co-Investment Vehicles based on relative amounts invested (such as a transaction fee, asset management fee, arranger’s fee, a management fee or any performance-based compensation), such fees are neither payable to the Funds nor credited against future management fees.

The Funds may co-invest in a company with financial, strategic or other third-party investors. Such co-investments may involve additional risks not present in investments where a third-party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Funds or may be in a position to take action contrary to the Funds’ investment objectives.

Other Potential Conflicts of Interest

If any matter arises that Kinzie determines in good faith constitutes an actual conflict of interest,

Kinzie will take such actions as are necessary or appropriate, and as permitted by any applicable Operative Documents, to assess such conflicts.

Item 12. Brokerage Practices

Kinzie has discretion regarding the types of investments to be made by the Funds, subject to each of the Funds' investment strategies and purpose as set forth in the Operative Documents of the Funds, respectively. For private or public securities transactions, Kinzie may sell or purchase companies through the use of broker-dealers or investment banking institutions. In such case, the Funds best interest will be considered.

Kinzie generally does not make recommendations for investments by the Funds in public securities as most investments are in privately negotiated transactions. Accordingly, Kinzie does not frequently select or recommend broker-dealers for client transactions. In the event that a broker-dealer is selected or recommended, Kinzie employs a due diligence process to ensure that any such transaction is executed in the best interests of the Funds, taking into account certain factors such as a broker's execution capability and trading expertise, in addition to pricing.

- Kinzie does not have any soft dollar arrangements.
- Kinzie does not consider whether Kinzie or a related person of Kinzie receives Fund or Investor referrals from a broker-dealer or third party because Kinzie does not typically select or recommend broker-dealers.
- Kinzie does not have directed brokerage dealings.

Generally, aggregation of the purchase or sale of securities for various Fund accounts does not apply to Kinzie as Kinzie primarily invests in private equity transactions.

Item 13. Review of Accounts

Kinzie's investment team continually reviews and monitors the Funds' investments. Kinzie's investment professionals routinely meet to discuss portfolio company related matters as well as potential new investment opportunities. Kinzie's investment team convenes as and when necessary to consider and approve new investment opportunities and material investment decisions regarding the Funds' existing investments, including dispositions and refinancing. More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or the investments within them, including changes in the financial markets and activity and trends in the political or economic environment.

Within one hundred twenty (120) days after Fund II's fiscal year-end and in accordance with Fund II's Operative Documents, audited financial statements are prepared by an independent accountant pursuant to U.S. Generally Accepted Accounting Principles ("GAAP") and are distributed to each Investor in Fund II (see Item 15). Kinzie also provides unaudited performance information for Fund II to Investors on a quarterly basis. Quarterly reports are based on the unaudited and estimated value of the relevant Funds' investments. For Co-Invest Fund and Co-Investment Vehicles, Kinzie provides unaudited performance information to Investors on a quarterly basis and audited financial statements to Co-Invest Fund investors on an annual basis. For Non-Fund Investment Vehicles, performance information is provided as available and upon request. Kinzie may distribute certain other reports to the Funds' Investors upon specific requests from time to time or pursuant to individually negotiated side-letters with certain Investors in the Funds.

Item 14. Client Referrals and Other Compensation

Kinzie engaged a third-party placement agent to introduce prospective investors to Fund II. The placement agent fees, paid by Fund II, are reimbursed by Kinzie through an offset of Kinzie's Management Fee for Fund II. In selecting a placement agent, Kinzie evaluated any potential conflicts of interest and deemed none apply for the current arrangement as of the time of this filing.

Please see Item 5 above regarding compensation received from portfolio companies.

Item 15. Custody

Kinzie maintains custody of the Funds' assets because of its affiliation with the General Partners and the Manager and such General Partners'/Manager's ability to deduct fees from Fund accounts. While the Firm or certain affiliates may be deemed to have custody of certain client funds, the Firm itself does not maintain physical custody of such assets. As set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule.

Fund II is obligated to provide a report to each Investor within sixty (60) days after the end of each of the first three quarters of each fiscal year. Additionally, Kinzie delivers audited financial statements within one-hundred twenty (120) days after the end of each fiscal year commencing with the first year in which Fund II makes an investment. The financial statements are prepared in accordance with GAAP and are audited by an independent accountant. Co-Invest Fund is obligated to provide a copy of unaudited balance sheet and statement of operations within ninety (90) days after the end of each fiscal year to its Investors. Co-Investment Vehicles and Non-Fund Investment Vehicles have various requirements per their respective Operative Documents that Kinzie follows to provide reports to respective Investors accordingly.

Item 16. Investment Discretion

Kinzie exclusively manages the business of the Funds and has discretionary investment authority to manage the making of new investments by the Funds and the management of the existing investments held by the Funds. Generally, this authority is provided for in each Funds' Operative Documents. To become an Investor, a prospective investor must execute, among other documents, a subscription agreement and/or an investor qualification statement and a limited partnership agreement or limited liability company agreement. Such Operative Documents generally contain a power of attorney that grants Kinzie or the General Partners certain powers related to the orderly administration of the affairs of the Funds. Once an Investor executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this brochure, Kinzie is not required to contact an Investor prior to transacting any business. In addition, Investors in the Funds must execute a subscription agreement or an investor qualification statement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

Item 17. Voting Client Securities

Kinzie's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Fund will be placed in a position of proxy voting authority.

The majority of "proxies" received by Kinzie, however, will be written shareholder consents or similar instruments for private companies owned by the Fund. As such, Kinzie has adopted proxy voting policies and procedures pursuant to regulations. Kinzie's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. If a Fund does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of the Funds. A copy of Kinzie's proxy voting policy is available upon written request to the attention of the Chief Compliance Officer at the address listed on the cover of this Brochure.

Item 18. Financial Information

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

Kinzie is not aware of any financial conditions that would be reasonably likely to impair Kinzie's ability to meet contractual commitments to the Funds.

Kinzie nor any affiliates have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

Kinzie is not required to register with any state securities authority. Therefore, Item 19 is not applicable.