

INVESTMENT ADVISER BROCHURE

**INTEGRITY GROWTH PARTNERS, L.P.**

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Form ADV Part 2A | Firm Brochure

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This brochure provides information about the qualifications and business practices of Integrity Growth Partners, L.P. (the “Adviser”). If you have any questions about the contents of this brochure, please contact Kwadwo “Kujo” Osei, Chief Compliance Officer at (310) 689-5192 or [kujo@integritygp.com](mailto:kujo@integritygp.com). 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.

Any reference to the Adviser as a registered investment adviser does not imply a certain level of skill or training.

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

## **ITEM 2: MATERIAL CHANGES**

This is the annual amendment to this Brochure for the year ended December 31, 2022. Since the Firm's initial registration as a registered investment adviser with the SEC filed on June 29, 2022, there have been no material changes.

In the future, this Item 2 will only discuss material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

This Brochure has been updated to make certain non-material, including the Firm's regulatory assets under management.

Investors are encouraged to review this brochure in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

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## **ITEM 4: ADVISORY BUSINESS**

Integrity Growth Partners, L.P. (the “Adviser”), a Delaware limited liability company, was formed in March 26, 2019.

The Adviser, together with the General Partners (defined below) and its advisory affiliates provide investment advisory services to privately offered pooled investment vehicles (including any parallel, feeder, alternative, blind pool fund (“BPF”) or special purpose vehicle (“SPV”), each a “Fund” and together with any future private investment funds to which the Adviser or its affiliates provide investment advisory services, the “Funds”).

To facilitate investment by certain investors, the Adviser may create one or more feeder funds or parallel funds or alternative vehicles.

The Adviser provides discretionary investment management services to the Fund (collectively, the “General Partners” and each a “General Partner”, and together with the Adviser, “Integrity”). Each General Partner is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser.

The Funds are private equity funds and anticipate investing through negotiated transactions in operating entities, referred to herein as “Portfolio Companies or Portfolio Company.” The Adviser’s investment advisory services to the Funds consist of identifying and evaluating potential investment opportunities, negotiating the terms of investments, managing and monitoring investments seeking and consummating dispositions for such investments.

The Adviser’s advisory services to the Funds are provided pursuant to the terms of the applicable offering documents, term sheets, management services agreements, limited partnership or other operating agreements or governing documents (collectively, “Governing Documents”). Fund investors (“Investors” and each an “Investor”) cannot obtain services tailored to their individual specific needs.

As of December 31, 2022, the Adviser managed approximately \$406,910,071 in regulatory assets on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

### **Management and Performance-Based Fees**

#### Management Fees:

Fees generally are paid as set forth in each Fund’s Governing Documents. The information contained herein in this Item 5 is a summary only and is qualified in its entirety by the relevant Governing Documents. It is important that Investors refer to the relevant Governing Documents

for a complete understanding of expenses and fees they may pay through an investment in the Funds.

The Adviser is compensated for its advisory services through asset-based management fees (“Management Fee”). Each Fund will pay a Management Fee annually in advance at a rate between 1 – 1.25% for each SPV and quarterly in advance at a rate of 2% for each BPF of aggregate commitments during the investment period. Commencing with the first fiscal quarter beginning on or after the earlier to occur of (i) the end of the investment period or (ii) the General Partner’s determination that all material investment activities have been completed, the Management Fee shall be the rate indicated above for each SPV and BPF of invested capital (i.e., the cost basis of portfolio company investments then held by the Fund, reduced by any investments that have been entirely written off or permanently written down), which will be calculated annually, unless otherwise determined by the General Partner in its sole discretion.

The Management Fees are generally not negotiable; however, the Adviser or General Partner, in its sole discretion, may waive or modify the Management Fee for certain Investors.

#### Carried Interests:

The general partner of each Fund is entitled to receive “carried interest” in an amount between 10-25% which varies by each Fund. The specific percentage and amount of the carried interest is outlined in each respective Fund’s Offering Documents.

#### **Other Information**

The Adviser is responsible for its normal overhead and administrative expenses, including expenditures on account of salaries, wages, benefits, and other expenses of the Adviser’s or General Partner’s members, agents and employees, rentals payable for space used by the Adviser, General Partner or the Funds, bookkeeping services and equipment.

Each Fund bears all costs and expenses relating to its activities and operations as provided in each Fund’s Governing Documents. Generally, each Fund will bear all other expenses, including expenses related to the investigation (whether or not consummated), purchase, holding and sale of portfolio company securities, investment-related travel, legal, accounting, investment banking, research, brokerage and finders’ fees, custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, and other similar fees and expenses. The foregoing list of expenses is not intended to be exhaustive and is qualified in its entirety by the applicable Governing Documents of each Fund.

From time to time, the Adviser or the respective General Partner will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, and other vehicles advised or managed by the Adviser, General Partner, or any of their respective affiliates, on the other hand. The Adviser or General Partner will allocate such fees and expenses in a manner it believes in good faith to be fair and equitable, but in its sole discretion. The allocation may not be proportional, as certain of such vehicles have different expense reimbursement terms, including with respect to Management Fee offsets.

The Adviser and/or General Partners and their Principals or employees or affiliates may receive directors', consulting, management services, advisory, consultant, monitoring, transaction, commitment, broken deal, break-up or similar fees from any portfolio company or prospective Portfolio Company of a Fund ("Transaction Fees"). Receipt of Transaction Fees may create a conflict of interest because the amounts of such Transaction Fees may be substantial, and the rights of a Fund and the Investors to these fees is limited to the offset arrangement described below and in the applicable Fund's Governing Documents. Determining whether such Transaction Fees will be paid periodically, prepaid or deferred and paid in arrears may also create a conflict of interest. When Transaction Fees are earned with respect to any Portfolio Company in which a Fund co-invests with third parties, including other funds advised or managed by the Adviser or an affiliate thereof, if any, the Adviser will determine and apply the Fund's allocable share of such Transaction Fees as described in more detail in the Governing Documents; such allocations often may not be clear and will involve a level of discretion.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under Item 5 above, the Adviser or the General Partners will receive performance-based fees in the form of carried interest on certain realized profits from the Funds. The existence of performance-based compensation creates an incentive for the Adviser to make a riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its Investors. Additionally, to the extent that the Adviser's personnel are assigned varying participation percentages of the performance-based fee from a Fund, such personnel are subject to similar conflicts of interest in identifying investment opportunities as appropriate for the Funds from which they are entitled to receive a higher performance-based fee percentage.

The Adviser seeks to address the conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

## **ITEM 7: TYPES OF CLIENTS**

The Adviser provides discretionary investment advice solely to the Funds, as described in Item 4 above. The Funds include investment partnerships and/or other investment entities formed under domestic laws and operate as exempt investment pools under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The investors participating in the Funds are expected to include individuals, institutions, other investment entities, family offices, trusts, public and private pensions, endowments, pensions, foundations, estates or charitable organizations or other corporations or business entities.

The Funds generally have a minimum investment amount of \$1 million for third-party investors. Such minimum investment amount may vary per Fund. Investors in the Funds will be required to be "accredited investors" within the meaning of Rule 501(a) under the Securities Act of 1933, as

amended (the “Securities Act”) and are generally “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategies**

As a general matter, Integrity utilizes the methods of analysis and investment strategies details in the governing documents of a Fund, where detailed information concerning Integrity investment strategies with respect to each Fund can be found. The information contained in this Brochure is a summary only.

Integrity investment objective is to invest in software and tech-enabled services.

### **Risks of Investment**

An investment in the Fund involves a high degree of risk and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. There can be no assurance that the Fund’s investment objectives will be achieved, or that a limited partner will receive a return of its capital contributions.

In evaluating whether to make an investment in a Fund, potential Investors should consider all information contained in the respective Fund’s Governing Documents, including the considerations and risk factors set forth in the relevant Governing Documents. Investors may be subject to a number of risks and some of the risks are set forth below:

*Business Risks.* The Fund’s investment portfolio is expected to consist primarily of securities issued by privately held companies (including unseasoned 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.* The performance of the General Partner’s principals’ (the “GP Principals”) prior investments is not necessarily indicative of the Fund’s future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the 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.

*Investment in Junior Securities.* The securities in which the Fund 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 Fund’s investment once made.

*Concentration of Investments.* The Fund will participate in a limited number of investments and may seek to make several or most of its investments in one industry or one industry segment or within a short period of time. As a result, the Fund’s investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted

amount, the Fund may invest in fewer portfolio companies and thus be less diversified. The Fund may provide Bridge Financing to facilitate portfolio company investments. It is possible that all or a portion of a Bridge Financing will not be recouped within the time period specified in the Partnership Agreement, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude Bridge Financing investments.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Limited Partners' Commitments and other expenses as set forth in the Partnership Agreement. The Management Company and certain of the Investment Team members are subject to certain non-solicitation and related provisions that may adversely affect the Fund's business.

*Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for the Fund including through making both control-oriented and minority, growth equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the GP Principals have previously made investments or have internal operational experience.

*Growth Equity Transactions.* The Fund's strategy includes targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

*Illiquidity; Lack of Current Distributions.* An investment in the Fund should be viewed as an illiquid investment. 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. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments. In addition, there can be no assurance that the Fund will have sufficient cash flow to permit it to make annual distributions in the amounts necessary for the Limited Partners to pay all tax liabilities resulting from the Limited Partners' ownership of limited partner interests.



*Leveraged Investments.* The Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund. Certain borrowing activity may also cause a tax-exempt Limited Partner to recognize UBTI under Code § 514.

*Focus on Early-Stage Investments.* It is anticipated that the Fund will make investments in early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Fund will be successful.

*Regulated Businesses.* The Fund may invest in portfolio companies that are subject to complex and evolving U.S. and foreign laws and regulations regarding privacy, data protection, content, competition, consumer protection and other matters. Many of these laws and regulation are subject to change and uncertain interpretation. Changes to such laws and regulations or their interpretation could result in changes to the portfolio company's business practices, operating costs, legal

liability and other factors, including in ways that may have a material adverse effect on the portfolio company and the Fund's investment therein.

*Limited Transferability of Fund Interests.* There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Reliance on the General Partner and Portfolio Company Management.* Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the GP Principals. The loss or reduction of service of one or more of the GP Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the GP Principals may in the future, manage other investment funds besides the Fund and the GP Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the GP Principals. Limited Partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

*Projections.* Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities.* Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information in order to combat tax avoidance. The United States Foreign Account Tax Compliance Act (“FATCA”) aims to combat tax evasion by United States tax residents using foreign accounts. It includes certain provisions on withholding taxes and requires financial institutions outside the United States to collect and share information about their U.S. customers. Pursuant to FATCA, the United States has entered into numerous intergovernmental agreements with other countries to facilitate the collection and sharing of information by such financial institutions. In addition, the Organization for Economic Co-operation and Development (the “OECD”) has published a global Common Reporting Standard for multilateral exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Fund and/or alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning Limited Partners (including identifying information and amounts of certain income allocable or distributable to them). A Limited Partner’s failure to provide required information may result in withholding taxes, government-imposed penalties, expulsion from the Fund and/or alternative investment vehicles, or other potential remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity’s (including the Fund’s) share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2019, gross proceeds of a disposition of stock, unless an exception applies. The Fund may be required to withhold such taxes from certain non-U.S. Limited Partners, unless an exception applies.

*Conflicting Investor Interests.* Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund’s activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

*Alternative Investment Fund Managers Directive.* The European Union (“EU”) Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”).

To the extent the Fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) the Fund and the General Partner will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and the General Partner may become subject to

additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (iii) the General Partner will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA portfolio companies, including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments.

In the future, it may be possible for non-EEA alternative investment fund managers ("AIFMs") to market an alternative investment fund ("AIF") within the EEA pursuant to a pan-European marketing "passport", instead of under national private placement regimes. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both investors and EEA home state regulators; independent valuation of an AIF's assets; and the appointment of an independent depositary. Certain EEA Member States have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the General Partner may not seek to market interests in the Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the General Partner sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the General Partner's ability to recruit and retain these personnel.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful 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 is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

*Non-U.S. Investments.* The Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories,

and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Hedging Arrangements; Related Regulations.* The General Partner may (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

*Significant Adverse Consequences for Default.* The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Dilution.* Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner 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 Fund's existing investments at the time of such contributions.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This



could reduce the after-tax returns of individuals associated with the Fund, the Manager, or the General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. This could also create an incentive for the GP Principals to cause the Fund to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

*Transfer by General Partner.* To the extent the General Partner, its partners, the GP Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side the Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

*Public Company Holdings.* The Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the GP Principals, and increased costs associated with each of the aforementioned risks.

*Distressed Investments.* The Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

*Non-controlling Investments.* The Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Director Liability.* The Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

*Limitation of Recourse and Indemnification.* The Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Limited Partners.

*Litigation.* In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the GP Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Advisory Board.* The General Partner may appoint one or more Limited Partner representatives to the Advisory Board. The Partnership Agreement will provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the Fund or any other Partner. In addition, representatives of the Advisory Board may have various business and other relationships with the Manager and its partners, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

*Delayed Tax Information.* The Fund may not be able to provide final annual tax filing information to Limited Partners for any given fiscal year until after the initial tax filing deadlines for Limited Partner tax returns. Accordingly, Limited Partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

*U.S. Federal Income Tax Liability Resulting from IRS Audits.* U.S. federal income taxes arising from a U.S. Internal Revenue Service ("IRS") audit will be paid by the Fund absent an election to the contrary. In addition, a "partnership representative" will have the power to act on behalf of the Fund and its Partners in all IRS audits and other proceedings involving the Fund's U.S. federal income, loss, deductions, and credits.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential

investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

*Global Health Risk.* Certain countries have been susceptible to epidemics or pandemics, most recently a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and could continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby adversely affect the performance of the Funds' investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

*Inflation Risk.* The concern over increasing inflation, as well as interest rate volatility, has exacerbated market volatility in the US and the global financial market. In an effort to combat inflation, the Federal Reserve has increased the interest rate in 2022 and is expected to increase the interest rate in 2023. There can be no assurance that changes in and uncertainty surrounding interest rates will not become a problem in the future and have an adverse impact on the Funds and its portfolio companies.

*Market Conditions.* The capital markets have experienced volatility and financial turmoil, including the recent bank closures in the United States. The uncertainty caused by the bank failures and general concern regarding the financial health and outlook of other financial institutions could have an overall negative effect on the banking systems and financial markets generally. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. The Fund's performance can be affected by deterioration in the capital markets and by market events, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination, or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.



*Material Non-Public Information.* As a result of the operations of the Manager and its affiliates, the Manager frequently comes into possession of confidential or material, non-public information. Therefore, the Manager and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Manager's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Certain Consultants.* The General Partner may retain, on behalf of the Fund and/or the portfolio companies, as applicable, operating partners and other consultants ("Operating Partners"), which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other funds managed by the General Partner or its affiliates, third party consultants (including individual consultants and external executives), "strategic partners," "executive partners" or "senior advisors." The Operating Partners may regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies ("Services").

*Handling of Mail.* Mail addressed to the Fund and received at its registered office will be forwarded unopened to the Fund to be dealt with at the forwarding address supplied by the Fund to the entity providing registered office services in the Cayman Islands. None of the Fund, the General Partner, the Manager or any of their respective directors, officers, advisors or service providers (including the organization that provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, it is possible that the partners, members, managers, directors and officers of the General Partner and the Manager will only receive, open or deal directly with mail that is addressed to them personally (as opposed to mail which is addressed just to the Fund), and that other personnel of the General Partner or the Manager will handle such forwarded mail.

*Unfunded Pension Liabilities of Portfolio Companies.* Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Memorandum, which may change in the future as the case law and guidance develops.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by the Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and

circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Co-Investments.* The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the Fund or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of factors, which may include factors which benefit the General Partner such as the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates.

The Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Limited Partners. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside the Fund, the General Partner is subject to conflicting interests in connection with these investments. The General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, the Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors.

*Changes in U.S. Tax Law.* All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in the Fund are based on existing law and interpretations thereof. Recent or future changes in U.S. federal income tax law could materially affect the tax consequences of a Limited Partner's investment in the Fund, and the tax treatment of the Fund's portfolio companies. While some of these changes could be beneficial, others could negatively affect the after-tax returns of the Fund and the Limited Partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Fund, or of investments made by the Fund, will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the Limited Partners.

## Conflicts of Interest

The General Partner and the GP Principals are affiliates of the Manager, a private equity firm dedicated to investing in software and tech-enabled services, and the Manager has an ownership interest in the General Partner that entitles it to a portion of the carried interest distributions received by the General Partner. As a private equity firm, the Manager provides a range of strategy consulting and other business services to its clients, some of which may result in conflicts of interest between the Fund, on one hand, and the Manager and certain of its clients, on the other hand. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Fund and its ability to achieve its investment objectives. The General Partner believes that the significant investment of the GP Principals in the Fund, as well as the GP Principals' interest in the carried interest, operate to align, to some extent, the interest of the GP Principals with the interest of the Partners, although the GP Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the GP Principals may control or manage may compete with the Fund or companies acquired by the Fund. At such time as the General Partner is permitted to raise a successor investment fund to the Fund, the GP Principals will continue to manage the Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the Partnership Agreement.

Additionally, conflicts of interest can arise if the Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the General Partner or an affiliate. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that the Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The General Partner may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Partnership Agreement and in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances and

considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

## **ITEM 9: DISCIPLINARY INFORMATION**

The Adviser and its supervised persons have no reportable disciplinary event to disclose.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser has no other financial industry activities or affiliations.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Adviser's principals, partners, officers, and employees are subject to the Adviser's Code of Ethics (referred to herein as the "Code"). The Code outlines the Adviser's policies and procedures regarding standards of conduct and personal investment transactions. The Code contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions of the Adviser's personnel, and their related persons, including: (1) quarterly reporting of non-exempt personal securities transactions that were transacted during the quarter; (2) initial and annual holdings reports; (3) a prohibition against personally acquiring securities in an initial public offering or a new issue offering without prior approval; (4) a prohibition against purchasing securities of a private placement without prior approval; and (5) a prohibition against acquiring any security which is subject to firm-wide restriction without prior approval.

Unless specifically permitted in the Code, the Adviser's principals, partners, officers, and employees may not effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the employee) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale on behalf of any of the Funds, until the conclusion of trading for client accounts or decision has been made not to purchase or sell such security.

The Adviser also has adopted an insider trading policy. The insider trading policy prohibits the Adviser's principals, partners, officers, directors and employees from buying or selling securities either for themselves or on behalf of others, including the Funds, while in possession of material, non-public information about the company that violate applicable securities laws. The insider trading policy also prohibits the communication of material, non-public information about a company to others who have no official need to know. Depending on the circumstances surrounding the information received, the Adviser may conclude to place the issuer on the firm-wide "Restricted Securities List," which would bar any purchases or sales of the issuer's securities by any of the Adviser's personnel (including any related person).

A copy of the Code will be provided to any Investor or prospective Investor upon request to the Chief Compliance Officer at the contact information provided on the cover page of this Brochure.

The General Partners maintain investments directly in the Funds. The fact that General Partners have direct or indirect financial interests in the Funds could create a potential conflict in that it could cause the Adviser to make different investment decisions than if such parties did not have such financial ownership interests. However, the Adviser believes that these financial interests align the Adviser's incentives with those of the Investors.

In addition, certain conflicts that may be encountered in the course of the Adviser's activities for or on behalf of the Funds are described in Items 8 above and reference is made thereto. In addition, the Funds' Governing Documents address certain other reasonably anticipated potential conflicts.

## **ITEM 12: BROKERAGE PRACTICES**

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions. With respect to the Adviser's private company securities transactions on behalf of the Funds, the Adviser may retain one or more nationally recognized broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its Portfolio Companies. In determining to retain such parties, the Adviser may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

The Adviser generally does not engage in significant public securities transactions. In the event the Adviser engages in public securities transactions, the Adviser will seek to obtain best execution for all transactions.

To the extent purchase and sale orders are aggregated, the Adviser will aggregate such orders as it deems appropriate and in accordance with the Funds' Governing Documents and in the best interests of the Funds.

The Adviser may face actual or potential conflicts of interest when allocating investment opportunities among the Funds. The general policy of the Adviser is to allocate investment opportunities among the applicable Funds in a fair and equitable manner and in accordance with the terms of its policies and the applicable Governing Documents for such Funds.

## **ITEM 13: REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Funds' portfolio investments are continuously reviewed by a team of investment professionals, consisting of the Adviser's principals and other investment professionals of the Adviser. The Adviser actively monitors the Portfolio Companies of the Funds and generally

maintains an ongoing oversight position in such Portfolio Companies, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. In addition, Investors in each Fund will typically receive capital account statements with respect reflecting their investment in the Fund on a quarterly basis.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser is authorized to provide certain business or consulting services to Portfolio Companies and may receive compensation from these companies in connection with such services. As described in the relevant Governing Documents, this compensation, if any, will offset all or a portion of the Management Fees paid by such Fund.

Currently, neither the Adviser nor its related persons directly or indirectly compensate any person who is not advisory personnel for Fund referrals. If in the future the Adviser enters into such arrangements, this Brochure will be appropriately amended.

## **ITEM 15: CUSTODY**

As the Adviser's investment program generally involves investments in certain privately offered securities, the Adviser generally will be exempt from the requirement that securities be maintained with a "qualified custodian." The Adviser anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer's outstanding securities.

To the extent that a Fund holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, the Adviser will maintain such securities with one or more qualified custodians in accounts in the name of the Fund or in accounts that contain only funds and securities owned by the Fund, under the Adviser's name as agent or trustee for the Fund.

In accordance with Rule 206(4)-2 under the Advisers Act ("Custody Rule"), each Fund will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles (US GAAP) and distributed to investors within 120 days of the end of each Fund's fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt and should compare these statements to any account information provided by the Adviser.

## **ITEM 16: INVESTMENT DISCRETION**

The Adviser has discretionary authority to manage securities accounts on behalf the Funds and is authorized to make transaction recommendations for the Funds. As explained in Item 4. above, each Fund's investment strategy is set forth in detail in such Fund's Governing Documents. Investors do not have the ability to impose limitations on this discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in the applicable Fund.

## **ITEM 17: VOTING CLIENT SECURITIES**

The Adviser focuses on investments in private companies, and it is anticipated that it will be rare that the Adviser will receive proxies with respect to securities held on behalf of the Funds. However, there are situations where private companies could have proxy issues (e.g., a private company needs approval of investors to make changes to board of directors, auditors, or if a private company goes public and a Fund holds securities, etc.). In such situations, the Adviser would have authority to vote proxies on behalf of the Funds (assuming that the Adviser does not otherwise have control over the company and exercise such authority through control of the Portfolio Company's board). The Adviser has adopted proxy voting policies and procedures that are designed to ensure that when the Adviser votes a proxy with respect to securities held on behalf of a Fund, such proxies are voted in the Fund's best interests, in the judgment of the Adviser to the extent reasonably practicable. The procedures also require that the Adviser identify and address conflicts of interest. If a material conflict of interest is identified, the Adviser will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of the Funds or whether taking some other action may be more appropriate. Investors generally do not have the ability to direct proxy votes.

Investors may obtain information regarding how the Adviser voted proxies for a Fund and may obtain a copy of the Adviser's proxy voting policies and procedures by contacting the Chief Compliance Officer at the contact information provide on the cover page of this Brochure.

## **ITEM 18: FINANCIAL INFORMATION**

The Adviser does not require prepayment of BPF management fees more than six months or more in advance. SPV management fees are paid at least one year in advance.

The Adviser is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.