Albright Capital Management LLC

601 Thirteenth St., NW

Suite 1000 South

Washington, DC 20005

202-370-3500

www.albrightcapital.com

March 28, 2017

This Brochure provides information about the qualifications and business practices of Albright Capital Management LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at 202-370-3500 or info@albrightcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

The Adviser is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information with which you determine to hire or retain an investment adviser.

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

ITEM 2 – MATERIAL CHANGES

No specific material changes have been made to the Albright Capital Management LLC brochure dated March 28, 2012. The only changes are an update to the net assets under management as of December 31, 2016 and the status of the filing of Form D with respect to certain of its Funds.

Currently, our brochure may be requested by contacting info@albrightcapital.com. Our brochure is also available on our web site www.albrightcapital.com, also free of charge.

Additional information about the Adviser is also available via the SEC's web site www.adviserinfo.sec.gov.

ITEM 3 – TABLE OF CONTENTS

ITEM 4 – ADVISORY BUSINESS

Albright Capital Management LLC, a Delaware limited liability company (the "Adviser"), provides investment management services on a discretionary basis, primarily to U.S. and non-U.S. collective investment vehicles sponsored by the Adviser (the "Funds"). On December 23, 2014, the Adviser filed a Form D with respect to the offering of interests in ACM Strategic Investment Partners IV, LP (f/k/a the ACM Special Situations Fund II, L.P.) ("SIP IV"). The Adviser has ceased offering interests in the feeder funds that invest in the ACM Emerging Markets Master Fund I, L.P. (the "Legacy Fund"). The Legacy Fund, SIP IV and each other Fund that may be offered in the future is referred to as a "Client", as the context may require. The Adviser does not provide investment management services on a non-discretionary basis and does not currently offer separate accounts.

The principal owners of the Adviser are Gregory B. Bowes and Albright Stonebridge Group LLC ("ASG"), each of whom holds more than 25% of the equity capital of the Adviser. Mr. Bowes and certain of the partners of ASG began assembling the business and partnership plan for the Adviser in 2003, and thereafter identified key investment and operational personnel, including John K. Yonemoto, to head its investment operations. Mr. Bowes and Mr. Yonemoto, together, hold a majority of the equity capital of the Adviser and control day-to-day investment and operational decision-making. The Adviser's services reflect the varied, interdisciplinary skills and experience of its constituent members and investment personnel, which together permit the Adviser to seek to capitalize on the inefficiencies and volatility of the global emerging markets. The Adviser's investment program is intended to benefit from capital strength, local awareness and flexibility, in pursuit of patient deployment of capital in value-oriented, illiquid and activist private investments.

As a significant minority stakeholder in the Adviser, ASG has the right to appoint certain members of the Advisor's Management and Investment Committees. Consistent with the Adviser's integration of environmental, social and governance factors in its risk assessment of investments, Dr. Madeleine K. Albright, the Chair of the Adviser, has the right to veto proposed private investments based on political risk, reputational or ethical factors.

The Adviser was established in Delaware on January 28, 2005. The Adviser has been registered as an investment adviser with the Securities and Exchange Commission ("SEC") since August 31, 2006. On January 2, 2007, the Adviser closed the first investment in a Fund, which was a feeder in the Legacy Fund.

From inception, the Adviser's goal has been to capitalize on the persistent inefficiencies and volatility of the emerging markets, applying a value-based approach throughout EM market cycles and seeking to avoid overpayment for future growth. The Adviser targets opportunities that capitalize upon identified inefficiencies.

The Adviser's management of the Funds, including SIP IV and any other Fund, and the terms of any investor's investment in a Fund, are governed exclusively by the terms of that Fund's organizational documents, confidential private placement memorandum, limited partnership agreement or memorandum and articles of association, investment management agreement, and subscription agreement (collectively, the "Fund Documentation"). Consistent with the Fund Documentation for a specific Fund, the Adviser advises the Funds on a broad range of securities, including, without limitation, (i) private equity or structured investments, and (ii) illiquid debt or equity instruments opportunistically available in the secondary markets at compelling valuations and where there is current need or prospect of activism by the Adviser, with a primary focus on securities of companies located in or primarily doing business in emerging market countries. These advisory services are provided on a comprehensive basis to the Funds,

including SIP IV.

To the extent permitted under the Fund Documentation, the Adviser also provides advice to special purpose Funds established by the Adviser for the sole objective of either (i) co-investing in an excess private investment opportunity in which a Fund also invests, on substantially similar terms as those terms on which such Fund invests, or (ii) aggregating capital for investment in a private opportunity without participation by a Fund (such Funds, the "Special Purpose Funds"),.

As of December 31, 2016, the Adviser managed approximately $500.5 million in assets on a discretionary basis, which is the aggregate net asset value of the Funds under the Advisor's management.

All discussions in this brochure of the Funds, their investments, the strategies the Adviser uses in managing the Funds, and the fees associated with an investment in the Funds are qualified in their entirety by reference to the applicable Fund Documentation.

This brochure shall not constitute an offer to sell or the solicitation of any offer to buy a security, including without limitation, an interest in any Fund. Any such offer or solicitation may only be made to qualified purchasers pursuant to a confidential private placement memorandum and related subscription documents and only in those jurisdictions where permitted by law.

ITEM 5 – FEES AND COMPENSATION

Fee Schedule – Fund Clients. The Adviser charges the Funds a management fee (the "Management Fee"). The Adviser also is entitled to a performance-based allocation (the "Carried Interest Allocation") of the Funds' profits as described in more detail under Item 6 below.

With respect to SIP IV, the Management Fee generally is equal on an annual basis to 2.00% of the value of each investor's commitment and, after the investment period of that Fund has concluded, on a stepped down basis equal to the cost basis of investment in the Fund, less any write-offs or write-downs, but subject to a minimum. Investors that participate in the initial closing of subscriptions for SIP IV or meet certain threshold investment amounts are eligible for a reduced Management Fee percentage. The Management Fee is payable quarterly in advance as of the first day of each calendar quarter. A pro rata Management Fee is assessed on any investments by an investor made as of a date other than the first day of the calendar quarter.

The Adviser may, in its sole discretion, waive all or a portion of the Management Fee or Carried Interest Allocation (described below in Item 6) or, as agreed to by the investor, charge a Management Fee or Carried Interest Allocation that is lower than, or otherwise on different terms than, those described above. The criteria upon which the Adviser may base its decision to charge a lower or different fee include, without limitation, initial capital contribution amounts, timing of closing in the Fund (first closing versus subsequent closings), and, in the case of Special Purpose Funds, due to the concentrated profile of the investment. Without limiting the foregoing, the Adviser may waive fees and/or allocations or charge lower fees and/or allocations to its members, employees, affiliates and their family members.

A more complete description of the fees to be paid to the Adviser in connection with an investment in a Fund is set forth in the applicable Fund Documentation, which are made available to each prospective investor before, or by the time of, any investment in a Fund. The foregoing description of a Fund's fees is qualified in its entirety by reference to the applicable Fund Documentation. It is possible that lower investment advisory fees may be available from other sources.

Fees and Expenses of Special Purpose Funds. The fees and expenses of each Special Purpose Fund will be determined at the time such Fund is established as set forth in the Fund Documentation applicable to such Special Purpose Fund. It is anticipated that the Adviser will charge each Special Purpose Fund an asset-based management fee and a performance-based fee or allocation. In addition, each Special Purpose Fund generally will bear all of its own organizational and operating expenses in accordance with the Fund Documentation applicable to such Special Purpose Fund.

Investment Management Agreements. Prior to engaging the Adviser to provide investment management services, each Fund must enter into a written agreement with the Adviser (an "Investment Management Agreement") setting forth the terms and conditions of the engagement, including the management fee or other fee arrangements, and describing the scope of the services to be provided. Investors in a Fund do not enter into an Investment Management Agreement with the Adviser. Rather, such investors must complete the applicable Fund's subscription documents. The Investment Management Agreement between the Adviser and each Fund may be terminated by either party upon 60 days' written notice to the other party (or such other notice period as agreed by the parties).

Brokerage & Custodial Fees and Expenses. In addition to entering into an Investment Management Agreement, each Fund must enter into one or more separate written agreements for brokerage and custodial services with a broker-dealer or such other qualified custodian (as provided in Advisers Act Rule 206(4)-2) recommended by the Adviser or with a broker-dealer or other qualified custodian as chosen by the Client. Separate from and in addition to any fees payable or allocations to be made to the Adviser, each Fund will incur brokerage commissions and/or transaction fees from broker-dealers for effecting certain securities transactions and may incur certain charges imposed by third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions, none of which are payable to the Adviser.

Item 12 further describes the factors that Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Other Expenses of the Funds. In addition to the Management Fee, the Carried Interest Allocation, and the brokerage and custodial fees describe above, each Fund bears its own investment and operational expenses including (without limitation), in the case of SIP IV: organizational and offering expenses (including legal, travel, accounting, filing and similar out-of-pocket expenses) incurred in the formation of such Fund through the final closing date; legal, auditing, accounting (third party administration), valuation, investment banking, consulting, finder's, custody, transfer, registration, registered office or other similar fees and expenses; expenses associated with the Fund's tax returns, special meetings of the investors and the advisory committee in SIP IV; expenses incurred in connection with any permitted financing; expenses associated with out-sourcing certain financial and accounting services; costs of financial statements and other reports (including K-1s) to and other communications with investors, as well as costs of all governmental and regulatory returns, reports and filings; due diligence and travel expenses associated with SIP IV's investment activities following the grant of preliminary approval by the Investment Committee of the Adviser, which are not reimbursed by portfolio companies; commissions or brokerage fees or similar charges associated with the acquisition, holding and disposition of private investments; any taxes, fees or other governmental charges levied against SIP IV or its portfolio holdings; expenses incurred by or on behalf of SIP IV, developing, negotiating and structuring prospective or potential investments which are not ultimately made; and any extraordinary expenses (such as litigation expenses or indemnification payments).

The Adviser generally is not responsible for any expenses or fees in connection with management of the

Funds other than as set forth in the Fund Documentation.

Pre-paid Fees. Unless otherwise agreed and set forth in the Fund Documentation with respect to a Fund, any fees paid in advance to the Adviser by such Fund are refundable on a *pro-rata* basis. The Management Fee payable by each Fund and any other fees paid in advance to the Adviser by or on behalf of an investor in a Fund are refundable on a *pro-rata* basis if an investor withdraws prior to the end of a calendar quarter.

Automatic Fee and Allocation Deduction. The Adviser's Management Fees may be deducted directly from the accounts of each Fund or funded through a capital call, consistent with the relevant Fund Documentation.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance Fee Schedule – Fund Clients. From the Funds, the Adviser is entitled to receive a carried interest allocation (the "Carried Interest Allocation"), generally consisting of a percentage of realized profits of the Funds after all capital and a preferred rate of investment have been returned. The Carried Interest Allocation generally is equal to 20% of the net realized gains in accordance with the applicable Fund Documentation, provided that a priority rate of return has been achieved and certain other conditions are met. For SIP IV, such priority rate of return is 10% per annum. For Special Purpose Funds, the priority rate of return is generally 8% per annum. However, investors participating in the initial closing of subscriptions in SIP IV or meeting and maintaining certain minimum investment amounts are eligible for a reduced Carried Interest Allocation percentage.

The Carried Interest Allocation will not be made directly by Fund investors to the Adviser. Instead, the Carried Interest Allocation will be made directly to the Adviser (or to the special purpose affiliate of the Advisor that serves as the general partner) by the applicable Fund. Carried Interest Allocations, if applicable, are made at the times provided in the applicable Fund Documentation. The Adviser will comply with the applicable requirements of Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act") in connection with the Carried Interest Allocation.

A more complete description of the Carried Interest Allocation to be made to the Adviser in connection with an investment in a Fund is available in the applicable Fund Documentation, which are made available to each prospective qualified investor before, or by the time of, any investment in a Fund. The foregoing description of the Carried Interest Allocation applicable to any Fund is qualified in its entirety by reference to the Fund Documentation.

Incentive to Allocate Riskier Investments to Performance-Fee-Paying Clients. Performance-based fee or allocation arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. SIP IV Documentation and the Adviser's conflicts of interest policy and procedures provide rules that govern the allocation of investment opportunities among Funds or between accounts in a Fund. The Adviser has procedures designed and implemented to ensure that all Clients (and accounts within each Fund) are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among Clients (and accounts within each Fund).

ITEM 7 – TYPES OF CLIENTS

The Adviser currently provides advice solely to the Funds and the Special Purpose Funds.

The Adviser generally requires that all investors in the Funds are "accredited investors" as defined in Regulation D under the Securities Act of 1933 and "qualified purchasers" or "knowledgeable employees", each as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"). The minimum initial investment in any Fund is $10,000,000. The Adviser, in its sole discretion, may accept investments from Fund investors in lesser amounts based upon certain criteria including, but not limited to, anticipated future earning capacity or anticipated future additional assets, the nature of the prospective investor, or pre-existing relationships. The Adviser may aggregate the investments in a Fund made by family members to meet the minimum investment amount.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

With respect to SIP IV or any other Fund that makes private investments, the Adviser selects what it believes to be superior opportunities from a broad array of illiquid investments across the capital structure of companies in multiple emerging market geographies. Anchoring this process is the Adviser's adherence to a value-based investment philosophy, which requires the Adviser's investment professionals to weigh the relative returns from diverse geographies, sectors and investment structures.

The Adviser employs an investment strategy that seeks superior returns through a diversified portfolio of privately structured or other illiquid securities, which capitalize on the substantial remaining inefficiencies, volatility and other recurring dislocations in the emerging markets. The Adviser seeks to invest in companies that it believes have attainable business plans and will result in diversified revenues in one or more emerging market regions. Depending on the market cycle and valuation, the investment may be made at any entry point in the capital structure, including (i) customized, originated private equity or structured investments in emerging markets companies, or (ii) illiquid debt or equity instruments opportunistically available in the secondary markets at compelling valuations and where there is a prospect of current or potential value addition by the Adviser (collectively, "private investments"). Featuring a bottom-up analytical process (research, identification of investment themes and opportunities, relationship development, due diligence, and deal structuring) supplemented by a top-down assessment (local and global macroeconomic and political environments, jurisdictional assessment, portfolio diversification), the Adviser employs all relevant investment structuring and analytical techniques needed to adapt to and access such returns in a wide variety of market environments.

The Adviser does not pre-allocate capital by geography, sector or instrument, avoiding top-down predictions on which markets will present opportunity in the future or preconceptions as to the best means of unlocking value from inefficiencies. Instead, the Adviser evaluates emerging markets securities and companies on an investment-by-investment basis, and executes a small subset of these opportunities through customized structuring, active monitoring of underlying exposure to broader macro and currency risks, and avoidance of imprudent over-exposure to local political and jurisdictional risks. Subject to this risk management and overall diversification criteria (by deal size, geography, and sector), the Special Situation Fund's mandate authorizes investment in a range of opportunities reflecting market inefficiencies. As such, the Adviser's investment program is highly speculative, as there can be no assurance that the Adviser's assessments of the long-term prospects of investments will prove accurate or that its ability to actively assist or turn around an issuer will succeed. Investing in securities involves risk of substantial loss that Clients should be prepared to bear. Consistent with the foregoing, the Adviser utilizes strategies and methods of analysis for multiple securities that may be structured as, or become, private investments, each of which entails significant risk of loss. The following is a summary of these

strategies, analyses and risks, which is subject in its entirety to the more detailed descriptions of these strategies and associated risks contained in the confidential private placement memoranda and other disclosure documents relating to a Fund.

A. Investment Strategies and Methods of Analysis: Private Investments

Summary

Informed by a top-down comparative pricing of risk from the political risk, jurisdictional, and macro-economic analyses and research and the bottom-up, fundamental due diligence review of particular sectors and companies, the Adviser seeks to identify longer term, generally illiquid private investments involving primarily private companies, which the Adviser believes are either positioned for regional or global expansion across the emerging markets or are valued at an excessive discount due to political or other local factors. For all private investments, the Adviser is actively involved (in governance or otherwise) or is available to assist a portfolio company in managing specific non-financial risks. Any such investment is subject to the approval of the Adviser's Investment Committee, which reviews the analyses and due diligence results for each prospective private investment.

Private Equity

The Adviser uses fundamental, macro-economic, environmental, social, environmental and governance ("ESG") factors and geo- and local political analyses, relative pricing data and company-specific due diligence in deciding to advise the Funds to acquire a controlling or joint controlling equity interest in private companies, including (without limitation) assessments of the following:

- Attractive entry valuation relative to similar risk profiles in other markets;
- Appropriate discount to public or listed market comparables to compensate for illiquidity assumed;
- Upper-middle market company with demonstrated track record of executing a compelling business model;
- Strong sponsor and/or management teams;
- Favorable geopolitical trends and prospects in the country or markets in which the company operates;
- Investment not adverse to entrenched local interests; supportive of broader, common objectives of host country institutions;
- Shareholders and senior management whose values are consistent with the Adviser's ethical values and who follow, or seek to follow, sound ESG practices;
- Especially in the case of originated deals, sponsors and managers that view the Adviser not solely as a source of capital, but as a partner whose active or possible collaboration will add value to the enterprise;
- Especially in the case of secondary market securities, the prospect of accumulating a sufficient position to influence governance or active resolution of an underlying dispute;
- Solid competitive or market position and leadership potential, including on the basis of valuable brand or franchise, government concession, high barriers to entry, proprietary technology or processes, strong product mix and diversified customer base, or other unique or highly competitive characteristics;
- Realistic exit possibilities, such as sale to strategic or public market investors, or self-liquidating structured minority investments; and
- Projected growth rates and/or value arbitrage opportunity to achieve the

Adviser's relevant return target for the investment opportunity.

The Adviser does not use leverage in its private equity investments.

Structured Investments

The Adviser seeks to structure for the Funds private debt securities offering favorable returns (generally with equity-like features, such as warrants, preferred equity interests, conversion rights, and/or contractual "put" rights), particularly in more mature companies with a projected free cash flow profile that the Adviser believes will support the additional debt incurred and with scope for further growth. The analyses applied in assessing such investments are substantially the same as those outlined above for private equity investments, with the exception of adjustments made to account for the different natures of the investment instruments (e.g., creditor rather than governance rights and a self-amortizing exit of most or all of the investment) and the relatively greater reliance of such instruments on local legal institutions.

The Adviser does not use leverage in its structured investments.

Distressed Debt Securities

The Adviser seeks to identify distressed corporate debt securities that it believes offer favorable value. The Adviser uses fundamental, macro-economic and political analyses, relative pricing data and transaction-specific due diligence, with an emphasis on pricing and local legal and political factors. Generally, for corporate debt securities, the Adviser assesses, among other factors, whether the Fund would have a reasonable prospect of obtaining an influential position in the capital structure of the issuer of the security or otherwise obtain a favorable return relative to opportunities in the market.

The Adviser may use leverage for distressed debt investments.

B. Risks of Loss

Risks Associated with Investments in Securities Generally

The Funds invest in a number of securities and obligations that entail substantial inherent risks. Although the Adviser will attempt to manage those risks through careful due diligence, research and ongoing monitoring and management of investments, there can be no assurance that securities and other investments purchased by a Fund will in fact increase in value or that the Fund will not incur significant losses. Furthermore, the nature of the Fund's investments potentially may result in the Fund incurring significant fees and expenses, such as legal, financial advisory and consulting fees and expenses.

Risks in General

Certain foreign investments involve risks and special considerations of a degree not typically associated with investments in more developed economies. Such risks include *(i)* the risk of nationalization or expropriation of assets or confiscatory taxation, *(ii)* social, economic and political uncertainty, including war, revolution and acts of terrorism, *(iii)* dependence on exports and the corresponding importance of international trade, *(iv)* price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets, *(v)* currency exchange rate fluctuations, *(vi)* rates of inflation, *(vii)* controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on the

Fund's ability to exchange local currencies for U.S. dollars, *(viii)* governmental involvement in and control over the economies, *(ix)* governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies, *(x)* differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, *(xi)* less extensive regulation of the securities markets, (*xii)* longer settlement periods for securities transactions, *(xiii)* less developed corporate laws regarding fiduciary duties and the protection of investors, *(xiv)* less reliable judicial systems to enforce contracts and applicable law, *(xv)* certain considerations regarding the maintenance of the Fund's portfolio securities and cash with foreign sub-custodians and securities depositories and *(xvi)* foreign restrictions and prohibitions on ownership by foreign entities of assets in certain sectors and changes in foreign laws relating thereto. In addition, investments in businesses located in or doing business in the emerging markets may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and regulations and may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in more developed countries.

Economic Risks Associated with Investments in the Emerging Markets

The economies of the emerging markets may differ favorably or unfavorably from the economy in the United States and other developed countries with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. The economies of many countries in the emerging markets are export driven and may be affected by developments in the economies of their main trading partners. Furthermore, the governments of some countries in the emerging markets have exercised, and continue to exercise, substantial influence over many aspects of the private sector. In some cases, governments own or control many companies, including some of the largest in their respective countries. The availability of investment opportunities for the Fund depends on the continued support of the governments of emerging market countries for liberalization of economic policies and the development of the private sector. There can be no assurance that these governments will continue these policies or that other factors negatively affecting a Fund will not develop. In addition, a number of countries in the emerging markets have been granted Most Favored Nation status by the U.S. Congress, which improves the competitiveness of their exports to the United States. There is no assurance that such favorable foreign policies will continue in the future.

Political and Social Factors Associated with Investments in the Emerging Markets

The Funds will be exposed to the direct and indirect consequences of potential political, economic, social and diplomatic changes in the emerging markets. Certain countries in the emerging markets face social and political instability resulting from, among other things: *(i)* authoritarian governments or military involvement in political and economic decision making and changes in government through extra-constitutional means, *(ii)* popular unrest and internal insurgencies associated with demands for improved political, economic and social conditions, *(iii)* hostile relations with neighboring countries and *(iv)* ethnic, racial and religious conflict. There is the possibility of nationalization, expropriation or confiscatory taxation, political changes, governmental regulation, social instability or diplomatic developments (including war and acts of terrorism) that could adversely affect the economies of emerging market countries or the value of a Fund's investments in those countries. In addition, it may be difficult to obtain and enforce a judgment in the courts of many of these countries. The governments in many emerging markets typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy, such as natural resources, telecommunications, banking, air and rail transportation, electrical power, steel and shipbuilding. Generally, the Adviser does not intend to obtain political risk insurance for Fund investments.

(1) Risks Applicable to Funds That Make Special Situations Investments

Investment Restrictions

Some countries in which the Funds may invest have laws and regulations that, to varying degrees, preclude or restrict direct foreign investment in the securities of resident companies, limit the types of securities that foreigners may buy, or limit foreign investors to special investment structures. In many countries in the emerging markets, foreigners are precluded from investing in certain economic sectors (such as communications or natural resources). Moreover, prior governmental approval for foreign investments may be required in some countries and the extent of foreign investment in domestic companies may be subject to limitation in other countries. Foreign ownership limitations also may be imposed by the charters of individual companies.

Risks in Relation to Intervening Countries

Where a Fund's investments in a foreign country are held or made through vehicles established in another country (for example, the Fund may invest in India through Mauritius), the value and performance of investments and returns thereof may be affected by the political, economic and regulatory conditions of that country in relation to the foreign country in which the investment is made and in relation to the United States and the jurisdiction of formation of the Fund (e.g., the Cayman Islands).

Legal and Regulatory Risks

In general, many countries in the emerging markets lack fully developed legal systems and bodies of commercial law and practice normally found in countries with more developed market economies. Laws and regulations, particularly those concerning bankruptcy protection, foreign investment and taxation, can change quickly and unpredictably. The laws in some countries in the emerging markets regulating ownership, control and corporate governance of companies are in the early stages of development and are essentially unproven; legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ substantially from those that may apply in other jurisdictions. Courts in some countries in the emerging markets lack experience in commercial dispute resolution, and many of the procedural remedies for enforcement and protection of legal rights typically found in more developed jurisdictions are not available in such countries. The extent to which local parties and entities, including local governmental agencies, will recognize the contractual and other rights of the parties with which they deal may be uncertain. Therefore, as applied to the illiquid investment program of SIP IV, such Fund (or any of its portfolio companies) may therefore be unable to protect and enforce its rights against local governmental and private entities. Investors' rights under the laws of emerging market countries may not be as extensive as those that exist under the laws of the United States. A Fund may therefore have more difficulty asserting its rights as a shareholder of an emerging markets issuer in which it invests than it would as a shareholder of a comparable U.S. company.

A Fund (or any portfolio company) may also encounter difficulties enforcing judgments of foreign courts in the emerging markets or courts of the emerging markets in foreign jurisdictions.

Currency and Market Risks

Generally, Fund capital accounts are denominated in U.S. dollars and distributions generally are made in U.S. dollars. However, a Fund's investments will be made in the emerging markets, and consequently the Fund's investments are likely to be denominated in currencies other than the U.S. dollar. Changes in the rates of exchange between the U.S. dollar and other currencies will have an effect, which could be adverse, on the performance of a Fund, amounts available for distribution by a Fund and the value of

securities distributed by a Fund. Additionally, a particular foreign country may impose exchange controls, devalue its currency and/or take other measures relating to its currency which could adversely affect a Fund. Finally, a Fund will incur costs in connection with conversions between various currencies. Although a Fund has the ability to hedge currency risk associated with its investments denominated in currencies other than the U.S. dollar, it may or may not choose to do so. In the event a Fund chooses to hedge currency risk, it may do so in certain circumstances (for example, if a Fund develops an undesirable concentration in an individual currency), but in such event it does not expect that the full risk of currency fluctuations can be eliminated due to the complexity of the investment characteristics of the portfolio and limitations in the foreign currency market. In the case of SIP IV, it is expected to conduct its foreign currency exchange transactions in anticipation of funding investment commitments or receiving proceeds upon dispositions. In addition, to hedge against adverse stock market shifts, SIP IV may purchase put and call options on stocks and write covered call options on stocks. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when a Fund wishes to use them. Moreover, in many countries in the emerging markets, the markets for hedging instruments are not highly developed and may be restricted by governmental regulation. In many countries in the emerging markets, no such markets currently exist.

Restrictions on Foreign Investments and Repatriation

Investment in certain sectors and the securities of issuers in certain nations in the emerging markets is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in such sectors or issuers in such nations and increase the costs and expenses of the Fund. Most countries may restrict investment opportunities in sectors or in certain issuers or industries deemed important to national interests. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is a deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on, or altogether change its restrictions on, foreign capital remittances abroad. Finally, repatriation of income from and investments in entities that are organized or domiciled in foreign countries may be affected adversely by local withholding and other foreign tax requirements.

Exit Strategies

A number of factors may complicate exit strategies pursued by the Fund. Aggregate trading volumes on securities markets in the emerging markets are substantially lower than trading volumes in more established economies. Securities of most companies in the emerging markets are less liquid and more volatile than securities of comparable companies in the United States economies.

Third Party Involvement

A Fund may co-invest with third parties through funds, joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Fund may at any time have other business interests and investments other than the joint venture with the Fund, or may have economic or business goals different from those of the Fund. In addition, the Fund may be liable for actions of its co-venturers or partners.

Leverage

To the extent that it engages in any leveraging, a Fund will be subject to the risks normally associated with debt financing, including those relating to the insufficiency of realizations and cash flow to meet principal and current or deferred interest payments, which could significantly reduce or even eliminate the

value of the Fund's equity. Additionally, a Fund's investments may include companies whose capital structures have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Furthermore, the securities acquired by the Fund may be the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss.

Risk of Investment Concentration

With respect to SIP IV, although the Adviser intends to diversify the Fund with respect to major regions within the emerging markets and sector exposure, the Fund may invest up to 20% of total capital commitments in any single portfolio company. Unfavorable performance by a small number of investments could materially affect the aggregate returns realized by investors.

Potential for Insufficient Investment Opportunities

The Adviser may not be able to identify and obtain a sufficient number of investment opportunities to invest the full amount of capital that may be committed to a Fund.

Accounting Standards; Limited Availability of Information; Due Diligence

The availability of information within countries in the emerging markets, including information concerning their economies and the securities of companies in such countries, generally is more limited than is the case in the United States. The accounting, auditing and financial reporting standards and practices of certain countries generally are not equivalent to those employed in the United States and may differ in fundamental respects. There is typically less information available about companies in the emerging markets than about companies in the United States and there is generally less government supervision and regulation of private companies than in the United States. The financial information appearing on the financial statements of the companies in those countries may not reflect financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with generally accepted international accounting principles. Investors in such companies generally have access to less reliable information than investors in more economically sophisticated countries. In addition, the scope and nature of a Fund's due diligence activities in connection with portfolio investments in certain countries in the emerging markets will be more limited than due diligence reviews conducted in more developed economies because reliable information is often unavailable or prohibitively costly to obtain. The lower standards of due diligence and financial controls in investments in certain countries in the emerging markets increase the likelihood of material losses on such investments. Furthermore, a Fund may not be in a position to take legal or management control of its investments in certain countries. It may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it may be difficult to obtain and enforce a judgment.

Inflation

Certain countries in the emerging markets have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which the Fund may invest. There can be no assurance that high rates of inflation outside the United States will not have a material adverse effect on the investments of a Fund.

Difficulty of Bringing Suit or Foreclosure in Countries in the Emerging Markets

Because the effectiveness of the judicial systems in countries in the emerging markets varies, a Fund (or any portfolio company) may have difficulty in foreclosing on collateral or in successfully pursuing claims in the courts of such countries, as compared to the United States or other developed countries. Further, to the extent a Fund or a portfolio company may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which such Fund invests, there can be no assurance that such courts will enforce such judgment. The laws of many nations in the emerging markets lack the consistency found in the United States and similar countries with respect to foreclosure, bankruptcy, corporate reorganization or creditors' rights. Although certain nations have recently implemented reforms in their foreclosure and bankruptcy regimes, these bankruptcy systems are still largely unproven.

Collateral Security Foreclosures

To the extent available under applicable laws, then Adviser may be required for business or other reasons to foreclose on collateral security held in the Fund's portfolio. Such proceedings can be lengthy and expensive and borrowers often assert claims, counterclaims and defenses to delay or prevent such actions. At any time during the proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the process, and materially increasing the expense thereof which expenses may or may not be recoverable by the Fund. See ''Nature of Bankruptcy Proceedings'' below. In addition, anti-deficiency and related laws in certain countries limit recourse and remedies available against borrowers in connection with or as a result of foreclosure proceedings or other enforcement actions taken with respect to such borrowers. Such laws can result in the loss of liens on collateral or personal recourse against a borrower altogether.

Nature of Bankruptcy Proceedings

To the extent available under applicable law, there are a number of significant risks when investing in securities of companies involved in bankruptcy proceedings, including the following: First, many events in a bankruptcy are the product of contested matters and adversary proceedings which are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company and its business. For instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. Further, if the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be impacted adversely by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until it ultimately becomes effective. Fourth, certain claims, such as claims for taxes, wages and certain trade claims, may have priority by law over the claims of certain creditors. Fifth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Sixth, creditors can lose their ranking and priority in a variety of circumstances, including if they exercise ''domination and control'' over a debtor and other creditors can demonstrate that they have been harmed by such actions. Seventh, a Fund (including SIP IV) may seek representation on creditors' committees and as a member of a creditors' committee it may owe certain obligations generally to all creditors similarly situated that the committee represents and it may be subject to various trading or confidentiality restrictions. If the Adviser concludes that such Fund's membership on a creditors' committee entails obligations or restrictions that conflict with the duties it owes to limited partners, or that otherwise outweigh the advantages of such membership, such Fund will not seek membership in, or will resign from, that committee. Because the Fund will indemnify the general partner, the Adviser, or any other person serving on a committee on behalf of the Fund for

claims arising from breaches of those obligations, indemnification payments could adversely affect the return on such Fund's investment in a company undergoing a reorganization.

Loans and Participations

A Fund 's investment program may include investments in loans (which may include collateral security) and participations. These obligations are subject to unique risks, including: (*i*) the possible invalidation of investment transactions as fraudulent conveyances or preferences under relevant creditors' rights laws, (*ii*) so-called lender-liability claims by the issuer of the loan obligations, (*iii*) environmental liabilities that may arise with respect to any real property securing the obligations and (*iv*) limitations on the ability of such Fund to directly enforce its rights with respect to loan participations. In analyzing each loan or participation, the Adviser compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks, absent certain conduct by the general partner, the Adviser, their respective affiliates and certain other individuals, will be borne by such Fund.

Bridge Financing

A Fund may provide bridge financing in connection with one or more of its investments. Such Fund will bear the risk of any changes in capital markets, which may adversely affect the ability to refinance any bridge investments.

Projections

Each Fund may rely upon projections developed by the Adviser or a portfolio company concerning the portfolio company's future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the Adviser and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

Board Participation

The size of a Fund's equity holdings in a particular issuer, or contractual rights obtained by a Fund connection with an investment, is expected to enable such Fund to designate one or more directors to serve on the boards (or comparable governing bodies) of companies in which the Fund invests. While such representation may enhance the Fund's ability to manage its investments, it may also have the effect of impairing the ability of such Fund to sell the related securities when, and upon the terms, it might otherwise desire, as it may subject the Fund to legal claims it would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other board-related claims. A Fund will indemnify the general partner, the Adviser or any person designated by the general partner or the Adviser for claims arising from such board representation.

Control Person Liability

In certain circumstances, a Fund may have controlling interests in and the ability to significantly influence a company or investment. The exercise of control of, or significant influence over, a company or investment may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, such Fund might suffer a significant loss.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, a Fund may be required to make representations about the investment typical of those made in connection with the sale of similar investments. The Fund may also be required to indemnify the purchasers of such investment with respect to certain matters, including the accuracy of such representations. These arrangements may result in contingent liabilities for which the general partner may establish reserves or escrows. In that regard, limited partners may be required to return amounts distributed to them to fund such Fund's indemnity obligations.

Third Party Litigation

A Fund's investment activities subject it to the risks of becoming involved in litigation by third parties. This risk is somewhat greater where the Fund exercises control of, or significant influence in, a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by the general partner or the Adviser, be borne by the Fund and would reduce net assets and could require partners to return to the Fund distributed capital and earnings. The Adviser, the general partner and others are entitled to be indemnified by the Fund connection with such litigation, subject to certain conditions.

Diverse Investor Group

The limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund. In selecting and structuring investments appropriate for the Fund, the General Partner and ACM will consider the investment and tax objectives of the Fund and its limited partners as a whole, not the investment, tax or other objectives of any limited partner individually.

Regulatory Compliance

Acquisition by a Fund of debt and equity securities may result in reporting and compliance obligations under applicable law. The costs of compliance will be borne by the Fund. In addition, investments by the Fund in the emerging markets are or may become subject to regulation by various agencies in such countries. New and existing regulations, changing regulatory regimes, and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies that operate in the emerging markets. The Adviser cannot predict whether new legislation or regulation in the emerging markets will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulation, will not have a material negative impact on a Fund's investment performance.

(2) Risks Applicable to Special Purpose Funds

Special Purpose Funds

The risks relating to any Special Purpose Fund relate to a specific, concentrated investment in the securities of one issuer and thus, will be far more specific than the general risk factors described below. Such risks will be disclosed to investors in any Special Purpose Fund pursuant to the Special Purpose Fund's offering memorandum or other disclosure document.

Limitation of Risk Disclosures. The foregoing list of risks with respect to the Adviser's investment strategies does not purport to be a complete enumeration or explanation of the risks involved in the

Adviser's current investment programs. Prospective investors in a Fund managed by the Adviser should read the entire confidential private placement memorandum (or equivalent) of the Fund and the other Fund Documentation and should consult with their own advisors before deciding whether to invest in a Fund. In addition, as the Adviser's investment programs develop and change over time, Fund investors may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

ITEM 9 – DISCIPLINARY INFORMATION

The Adviser has no information required to be disclosed pursuant to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Albright Securities LLC (the "BD Subsidiary"), an SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc., is wholly owned by the Adviser. The BD Subsidiary assists the Adviser in the private placement of interests in the Funds and interests in private portfolio companies of the Funds, for which the BD Subsidiary may periodically receive fees for services rendered, subject to the requirements under the Fund Documentation with respect to the offset of such fees against the Management Fees that are otherwise payable to the Adviser. The BD Subsidiary does not and will not perform any other service for the Adviser or any Fund.

The Adviser (or a special purpose controlled affiliate of the Advisor) serves as the general partner of each Fund that is organized as a limited partnership.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND CROSS TRADES

Code of Ethics. The Adviser has adopted a Code of Ethics (the "Code") that establishes formal standards of business conduct and professionalism for certain employees, officers, directors, and similar persons of the Adviser and certain of its affiliates (all such persons, "Subject Persons"). In addition, the Adviser's Code incorporates, by reference, the Adviser's Policy Statement Against Insider Trading (the "Policy Statement"). Upon employment, and annually thereafter, all Subject Persons are required to certify compliance with the Code and Policy Statement. The Code complies with the requirements of Rule 204A-1 under the Advisers Act regarding codes of ethics and contains certain provisions that are more restrictive than those mandated by such rule.

The Code sets forth, among other things, the following as required under Rule 204A-1. The Code holds Subject Persons to high standards of ethical conduct and places upon them a duty to act for the Client's benefit as well as to place the financial interests of the Adviser's Clients ahead of their own interests at all times. The Code also requires Subject Persons to comply with applicable federal securities laws and to report any violations of the Code promptly to the Adviser's Chief Compliance Officer. In addition, the Code imposes certain restrictions on access persons (as such persons are defined in Rule 204A-1), including trading limitations and/or prohibitions on "covered securities," defines holding and blackout period limitations, requires pre-clearance for particular personal securities transactions, and mandates initial holdings reports and at least quarterly transaction and annual holdings reporting. The term "covered securities" generally includes all securities except direct obligations of the United States government, money market funds and shares of open-end investment companies registered under the Investment Company Act (other than investment companies, if any, for which the Adviser acts as a

subadviser or adviser), bankers' acceptances and certificates of deposit, commercial paper, high quality short-term debt obligations, repurchase agreements and other money market instruments. If a personal securities transaction is approved, the access person may proceed with the approved trade on the date clearance is granted. Any personal securities trading required to be pre-cleared that has not gone through the approval process is a violation of the Code, and may be subject to penalties or fines. The Adviser's Chief Compliance Officer reviews quarterly (or monthly) and annual holdings reports to ensure appropriate pre-approvals were obtained and to identify potential conflicts of interest.

In addition to the above restrictions, the Policy Statement includes policies to monitor, restrict (if necessary), and educate employees of the firm and certain of its affiliates with respect to acquiring and investing when in possession of material, non-public information. The Adviser maintains a "restricted list" of certain securities and has related pre-clearance procedures for securities trading.

Copies of the Adviser's Code and Policy Statement are available to any prospective or existing Client upon request to the Adviser's Chief Compliance Officer, Albright Capital Management LLC, 601 Thirteenth St., N.W., Suite 1000 South, Washington, DC, 20005

Participation or Interest in Client Transactions. The Adviser does not buy or sell securities for its own account. However, the Adviser may have an interest, as general partner or otherwise, in one or more of the Funds and officers, managers and employees of the Adviser may invest in one or more of the Funds. Officers, managers and employees of the Adviser are not permitted to own, buy and/or sell securities that the Adviser recommends to the Funds except indirectly through the Funds. Such transactions by officers, managers and employees of the Adviser are subject to, and must be made by each such person in accordance with, the Code (as discussed above).

Cross Trades. On occasion, the Adviser may determine that it is appropriate and in the best interest of each Fund, if one Client purchases a security while another Client is selling the same security. To the extent permitted by law and applicable policies and procedures, the Adviser may effect "cross trades" involving Fund accounts in which a security is sold from one account or Client advised by the Adviser and bought for another such advised account or Fund, either through a book-entry or custodial transfer or through a broker-dealer. For example, cross trades may occur when accounts have different objectives or there are other factors specific to a Fund or when the Adviser is rebalancing Fund portfolios. In such circumstances, the Adviser may be able to reduce or eliminate transaction costs by arranging for one Fund account to buy or sell a portfolio security directly from or to another Fund account. No such transactions will be effected unless the Adviser determines it is in the best interest of each account in accordance with the Adviser's policy on the avoidance of conflicts of interest, including the approvals required under the applicable Fund Documentation. No such transactions will be permitted with respect to any account governed by the Employee Retirement Income Security Act of 1974. The Adviser will generally only effect cross trades in securities where a third party mark is available.

ITEM 12 – BROKERAGE PRACTICES

Brokerage Transactions. The Adviser has complete discretion in deciding which brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay. In addition to using brokers as "agents" and paying commissions, the Funds may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and

dealers.

The Adviser does not utilize the services of the BD Subsidiary, its affiliated broker-dealer, in connection with the execution, settlement or clearing of securities transactions on behalf of any Fund.

In selecting brokers and dealers to effect portfolio transactions for the Funds, the Adviser generally will seek prompt execution of orders at the most favorable prices reasonably obtainable under the circumstances. The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker-dealer on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the commissions of eligible broker-dealers and to minimize the expenses incurred for effecting Client transactions to the extent consistent with the interests and policies of the accounts. Although the Adviser generally seeks competitive commission rates, it will not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer involved and thereby entail higher commissions than would be the case with other transactions requiring more routine services. Transactions in emerging market securities are typically executed at commissions higher than those available in U.S. securities markets and frequently involve settlement on other than a "delivery-versus-payment" basis, which could subject the Client to a risk of loss.

The Adviser maintains a list of brokers and counterparties that have been approved for trading Fund assets based on the criteria described below. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- A broker's trading expertise, including the broker's ability to complete trades; execute and settle difficult trades; obtain liquidity to minimize market impact and accommodate unusual market conditions; maintain anonymity; and account for its trade errors and correct them in a satisfactory manner.
- A broker's infrastructure, including order-entry systems; adequate lines of communication; timely order execution reports; an efficient and accurate clearance and settlement process; and capacity to accommodate unusual trading volume.
- A broker's ability to minimize total trading costs while maintaining its financial health, such as whether a broker can maintain and commit adequate capital when necessary to complete trades; respond during volatile market periods; and minimize the number of incomplete trades.
- A broker's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities; analyses and reports concerning such matters as companies, industries, economic trends and political factors; or services incidental to executing securities trades, including clearance, settlement and custody.
- A broker's ability to provide services to accommodate special transaction needs; participate in underwriting syndicates; and obtain initial public offering shares.

Research and Other Soft Dollar Benefits. The Adviser may enter into "soft dollar" arrangements. Although the Adviser's use of soft dollars to pay for research and execution products or services has, to date, generally been conducted in accordance with the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, the Adviser may on occasion use soft dollars for purposes outside of the safe harbor in a manner consistent with its fiduciary duties to the Funds.

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, the Adviser may select a broker-dealer that furnishes products and/or research services. In addition, if the Adviser determines in good faith that the commission charged by a broker-dealer is reasonable in relation to the value of brokerage and research services provided by such broker-dealer, the Adviser may cause a Fund to pay such a broker-dealer an amount of commission greater than the amount another broker-dealer may charge, but generally within a competitive range for full service brokers.

The Adviser may also enter into arrangements with brokers regarding the allocation of minimum annual amounts of brokered transactions to such brokers. In exchange, the Adviser would receive from such brokers' research products and/or services and research-related software. A transaction would be placed with such brokers only if consistent with the best execution policies described above (which would take into account the provision of research and related services) and the Adviser would terminate any such arrangement or compensate the broker in cash for such research or software to the extent it could not fulfill the arrangement consistent with such policies.

Some "mixed-use" products or services could be used by the Adviser for both research/execution and non-research purposes, such as administration or marketing. If these products or services are obtained with soft dollars, the Adviser will allocate their cost between research and non-research uses. The Adviser will use its own "hard dollars" to pay that part of the cost which is attributable to non-research uses.

Brokerage and research services received could benefit Funds other than the Fund generating the soft dollar credits. The Adviser's receipt of research services will not reduce a Fund's management fee or Carried Interest Allocations or fees.

In exchange for using the services of certain broker-dealers or custodians, the Adviser may receive from such broker-dealers or custodians, without cost, computer software and related systems support, which allow the Adviser to better monitor Client accounts maintained with them. In addition, the Adviser may receive the following benefits from such broker-dealers: duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional brokerage group participants; access to block trading services which provide the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and/or access to an electronic communication network for Client order entry and account information. The Adviser currently has such an arrangement with the entity that serves as the Funds' prime broker. Although the Adviser receives these services and generally may direct trading for the Funds through the prime broker, they are not considered by the Adviser to be "soft dollar" benefits because the services are not provided in exchange for the Adviser's Clients paying higher transaction commissions or fees than those obtainable from other brokers in return for similar products and services.

See Item 10 for a discussion of the Advisor's relationship with the BD Subsidiary.

***Brokerage for Client Referrals*.** Neither the Adviser nor any related person receives, or seeks to receive, Client referrals from a broker-dealer or other service provider to the Clients.

Directed Brokerage. The Adviser is retained on a discretionary basis and is authorized to determine which securities to buy or sell (including the amount thereof) and to direct execution of portfolio transactions within the Client's specified investment objective without consultation with the Client on a

transaction-by-transaction basis. The Adviser prefers to select or recommend the broker-dealers that will execute portfolio transactions, and generally the Client leaves that selection or recommendation to the Adviser.

Balancing the Interests of Multiple Client Accounts. The Adviser may manage multiple Funds with the same or similar investment objectives and strategies or may manage Funds (or Fund accounts) with different objectives or strategies that may trade in the same securities. Despite similarities, the Adviser's portfolio decisions about each Fund's or Fund accounts' investments and the performance resulting from these decisions may differ from those of other Funds or accounts within the same Fund.

Allocating Investment Opportunities. Investment allocation issues may arise when the Adviser raises a new private investment fund while a preceding private investment fund of the same or similar strategy retains capacity for investments in the same investment opportunities proposed for the new fund, or when two investment funds have overlapping mandates. In these circumstances, the Adviser shall observe the allocation rules under the Fund Documentation for each investment fund.

Subject to the foregoing requirement, the Adviser may do one of the following:

- *Allocations in favor of preceding fund*. In the case of a preceding Fund with limited remaining capacity for investment (excluding prudential reservation of capital commitments for expenses and follow-on investment beyond the investment period), the Adviser may give priority to allocating all suitable investment opportunities to the preceding Fund until such available capacity has been used. This approach hastens the end of the preceding Fund's investment period and best meets the investment fund life cycle expected by investors in the preceding Fund. This allocation practice is disclosed (and agreed to) in the Fund Documentation of the new Fund. In this regard, the Adviser prefers this approach since it minimizes the instances in which the Adviser must determine the most appropriate timing to exit a portfolio investment, which may itself create a conflict of interest. It is generally preferable for the Adviser to enter into investment transactions with the expectation that it will divest all funds of their investments simultaneously.

- *Pro rata allocations based on available capacity*. Alternatively, the Adviser may allocate investment opportunities between the relevant Funds on a pro rata basis based on available capacity for investment (again, excluding prudential reservation of capital commitments for expenses and follow-on rescue investment beyond the investment period). This approach has the disadvantage of mixing Funds in different stages of their life cycle (and investors with different divestment timing expectations) in the same long-term private investment, and is therefore not an optimal alignment of interests. This allocation practice must be clearly disclosed (and agreed to) in the Fund Documentation of the new Fund.

- *Legal and tax considerations*. The Adviser also considers legal, regulatory, tax or similar complications that may arise from an investment when allocating opportunities among multiple Funds.

- *Diversification criteria*. Similarly, prudential risk management and diversification criteria may require the Adviser to adjust the allocations to account for such guidelines.

ITEM 13 – REVIEW OF ACCOUNTS

***Review of Accounts*.** At least quarterly, and more often as required by special circumstances (such as a relevant development in market conditions affecting one or more of the portfolio securities or markets in which the Fund invests), the Adviser's Investment Committee, the Chief Investment Officer and each portfolio manager for a particular strategy with the title of Managing Director (individually or as part of a group) will review the Fund's performance.

***Reports to Investors*.** Depending on the applicable Fund Documentation, each investor in a Fund will receive: (i) quarterly valuation reports for the Fund's private investments, with mark-to-market information; (ii) periodic commentary for the applicable Fund's portfolio of private investments; (iv) the Fund's annual audited financial statements; and (v) necessary U.S. federal tax information. In addition, certain investors who have appointed members to advisory or equivalent committees (or who have negotiated enhanced tax, ESG or similar special reporting) in the Funds receive more frequent and more detailed reporting with respect to certain matters.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals. The Adviser may employ third party marketing personnel as well as employees of the Adviser or an affiliate of the Adviser (*e.g.*, the BD Subsidiary) who would be compensated for soliciting referrals of investors in the Funds. Any such referral arrangements will be in compliance with Rule 206(4)-3 under the Advisers Act.

ITEM 15 – CUSTODY

The Adviser (or its special purpose controlled affiliate) is deemed to have custody over the assets of the Funds because of its authority over the Funds in its capacity as general partner of the Funds. All funds and securities of the Funds, other than certain privately offered securities, are held in custody by qualified custodians. As noted in Item 13 above, investors in the Funds receive the applicable Fund's annual financial statements audited by an independent public accounting firm within 90 or 120 days following the end of the fiscal year, depending on the Fund. Investors in the Funds are urged to carefully review such statements.

ITEM 16 – INVESTMENT DISCRETION

The Adviser provides investment management services to the Funds on a discretionary basis. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions set forth in the relevant Fund Documentation.

ITEM 17 – VOTING CLIENT SECURITIES

The Adviser has authority to vote proxies on behalf of the Funds in accordance with the Adviser's Proxy Voting Procedures and Guidelines. Such proxies will be voted for the exclusive benefit for such Clients.

A copy of the Adviser's Proxy Voting Procedures and Guidelines, as well as records for all votes taken on

behalf of each Fund, are available to each investor in the Fund upon request. Requests should be addressed to the Adviser's Chief Compliance Officer, Albright Capital Management LLC, 601 Thirteenth St., Suite 1000 South, Washington, DC 20005. Under the Adviser's Voting Procedures and Guidelines, the Adviser is responsible for the following:

- Overseeing the process by which the Adviser votes proxies to be sure they are being voted in accordance with the Adviser's guidelines and procedures and any special restrictions imposed by clients;
- Identifying conflicts that may exist between the interests of the Adviser and its clients by reviewing the relationship of the Adviser with the issuer of any security for which a proxy is being voted to determine if the Adviser or its employees has a financial, business or personal relationship with the issuer;
- When a material conflict of interest has been identified, taking the necessary steps to resolve the matter in accordance with the Adviser's Voting Procedures and Guidelines;
- Coordinating with outside parties, if any, who have been retained to vote on behalf of the Adviser; and
- Reviewing the Voting Procedures and Guidelines periodically to assess their adequacy, including consulting with outside counsel to stay abreast of the regulations affecting the Advisor's proxy voting obligations.

ITEM 18 – FINANCIAL INFORMATION

The Adviser has no information required to be disclosed pursuant to this Item.