COMBINED FINANCIAL STATEMENTS

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

For the nine months ended September 30, 2013 (Unaudited)

COHESIVE CAPITAL PARTNERS, L.P.
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Unaudited Combined Financial Statements:

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

Combined Statement of Assets, Liabilities, and Partners' Capital (Unaudited)
September 30, 2013

Assets		
Investments at Fair Value (Cost $78,855,322)	$	78,177,409
Cash		164,833
Due from Partners		168,814
Other Assets		1,217
Total Assets	$	78,512,273
Liabilities and Partners' Capital		
Loan Payable	$	6,959,659
Other Liabilities		189,603
Accrued Expenses		89,134
Total Liabilities		7,238,396
Partners' Capital		
General Partner		2,909,146
Limited Partner		68,364,731
Total Partners' Capital		71,273,877
Total Liabilities and Partners' Capital	$	78,512,273

The accompanying notes are an integral part of the combined financial statements.

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

Combined Schedule of Investments (Unaudited)
September 30, 2013

Investment/(Sector)	Description of Security	Cost	Fair Value	Fair Value as a % of Partners' Capital
United States Investments				
AMQ Holdings, LLC (Access MediQuip) (Healthcare Services)	11,000,000 Class A Units	$ 11,000,000	$ 1,100,000	1.5%
Dawn Holdings, Inc. (Serta Simmons) (Industrial)	3,480.68 Common Shares	11,998,069	14,052,003	19.7%
Dwyer Group Investment Holdings, LLC (Consumer)	4,957,622.52 Series A Units	1,694,918	6,639,269	9.3%
FNB United Corp. (Bank & Finance Companies)	678,738 Common Shares	10,499,106	7,215,799	10.1%
IDS Investments, LLC (Media) (1)	600,000 Class A Units	6,000,000	5,884,813	8.3%
Standard Bancshares, Inc. (Bank & Finance Companies)	2,150,537 Common Shares	9,999,997	10,815,509	15.2%
Templar Investment				
TCP Templar Holdings SPV LLC (Energy Resources) (1)	Limited Partnership Interest	5,000,000	5,000,000	7.0%
Templar Energy LLC (Energy Resources) (1)	250,000 Class A Units	2,500,000	2,500,000	3.5%
Subtotal Templar Investment		7,500,000	7,500,000	10.5%
THL Equity Fund VI Investors (PC), L.P. (Party City) (Distribution)	Limited Partnership Interest	5,965,232	8,386,226	11.8%
Transport Labor Holding Company, Inc. (Business Services)	65,000 Common Shares	6,500,000	8,844,140	12.4%
Total United States Investments		71,157,322	70,437,759	98.8%
Foreign Investments				
Chase Holdco, Ltd. (Epic Pantheon International Gas Shipping) (Transportation & Logistics)	7,698 Ordinary Shares	7,698,000	7,739,650	10.9%
Total Investments		$ 78,855,322	$ 78,177,409	109.7%

(1) Invested through Cohesive Capital Partners (AIV), L.P. All others invested through Cohesive Capital Partners, L.P.

Refer to Note 2 and 3 for additional disclosures.

The accompanying notes are an integral part of the combined financial statements.

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

Combined Statement of Operations (Unaudited)
For the quarter and nine months ended September 30, 2013

	Quarter Ended September 30, 2013	Nine Months Ended September 30, 2013
Expenses		
Management Fees	$ 700,614	$ 2,126,492
Interest Expense	66,079	170,208
Other Expenses	10,862	127,920
Professional Fees	56,059	173,011
Transaction Expenses	796	5,823
Total Expenses	834,410	2,603,454
Net Investment Loss	(834,410)	(2,603,454)
Net Change in Unrealized Depreciation of Investments	(5,945,978)	(3,047,005)
Net Decrease in Partners' Capital Resulting from Operations	$ (6,780,388)	$ (5,650,459)

The accompanying notes are an integral part of the combined financial statements.

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

Combined Statement of Changes in Partners' Capital (Unaudited)
For the quarter and nine months ended September 30, 2013

	General Partner	Limited Partners	Total
Partners' Capital, December 31, 2012	$ 2,766,959	$ 64,363,813	$ 67,130,772
Capital Contributions	509,193	9,490,807	10,000,000
Distributions to Partners	(187,568)	-	(187,568)
Net Increase in Partners' Capital Resulting from Operations	56,789	345,527	402,316
Partners' Capital, March 31, 2013	3,145,373	74,200,147	77,345,520
Net Increase in Partners' Capital Resulting from Operations	73,351	654,262	727,613
Partners' Capital, June 30, 2013	3,218,724	74,854,409	78,073,133
Capital Contributions	205,447	3,829,321	4,034,768
Distributions to Partners	(205,447)	(3,848,189)	(4,053,636)
Net Decrease in Partners' Capital Resulting from Operations	(309,578)	(6,470,810)	(6,780,388)
Partners' Capital, September 30, 2013	$ 2,909,146	$ 68,364,731	$ 71,273,877

The accompanying notes are an integral part of the combined financial statements.

COHESIVE CAPITAL PARTNERS, L.P.
COHESIVE CAPITAL PARTNERS (AIV), L.P.
(Delaware Limited Partnerships)

Combined Statement of Cash Flows (Unaudited)
For the quarter and nine months ended September 30, 2013

	Quarter Ended September 30, 2013	Nine Months Ended September 30, 2013
Cash Flows Used in Operating Activities		
Net Decrease in Partners' Capital Resulting from Operations	$ (6,780,388)	$ (5,650,459)
Adjustments to Reconcile Net Decrease in Partners' Capital Resulting from Operations to Net Cash Used in Operating Activities		
Purchase of Investments	(5,038,000)	(20,197,997)
Recyclable Proceeds from Investments	4,034,768	4,034,768
Net Change in Unrealized Depreciation of Investments	5,945,978	3,047,005
Changes in Other Assets and Liabilities:		
Decrease in Other Assets	4,849	48,881
Increase (Decrease) in Loan Payable	(196,153)	6,959,659
Increase in Other Liabilities	183,004	189,603
Increase in Accrued Expenses	19,090	45,271
Decrease in Due to Partners	(3,982)	-
Increase in Due from Partners	(168,814)	(168,814)
Decrease in Due to Affiliate	-	(16,969)
Net Cash Used in Operating Activities	(1,999,648)	(11,709,052)
Cash Flows Provided by Financing Activities		
Capital Contributions	-	10,000,000
Distributions to Partners	(18,868)	(206,436)
Net Cash Provided by (Used in) Financing Activities	(18,868)	9,793,564
Net Decrease in Cash	(2,018,516)	(1,915,488)
Cash, Beginning of Period	2,183,349	2,080,321
Cash, End of Period	$ 164,833	$ 164,833
Supplemental Disclosure		
Cash Paid for Interest	$ 52,973	$ 150,503
Non-Cash Financing Activities		
Capital Contributions	$ 4,034,768	$ 4,034,768
Distribution to Partners	$ (4,034,768)	$ (4,034,768)

The accompanying notes are an integral part of the combined financial statements.

1. Organization and Purpose

The combined financial statements herein consist of Cohesive Capital Partners, L.P. and one alternative investment vehicle: Cohesive Capital Partners (AIV), L.P. (each, a "Partnership"; collectively, the "Partnerships"). Each entity is a limited partnership formed under the laws of the state of Delaware for the purpose of making Investments, as defined in the Amended and Restated Limited Partnership Agreement of Cohesive Capital Partners, L.P. dated as of November 15, 2010 and the Amended and Restated Limited Partnership Agreement of Cohesive Capital Partners (AIV), L.P. dated as of December 23, 2011, as amended from time to time (collectively, the "Agreements"). Cohesive Capital Partners (AIV), L.P. was formed for the purpose of participating in specific investments where the General Partner determined in good faith that for legal, tax, regulatory or other similar reasons it would be in the best interest of one or more Partners that their participation in the investments be made through an alternative investment structure. The investment objective of the Partnerships is to generate capital appreciation through privately negotiated equity and equity-related investments alongside other private equity firms. Investments may be effected using a broad variety of investment types and transaction structures, including buyout investments, direct or indirect private equity investments, secondary transactions, strategic investments, restructurings and recapitalizations. The Partnerships will generally make their investments jointly in transactions originated and led by other private equity firms.

Cohesive Capital Partners, L.P. was formed on July 6, 2010, and commenced operations on November 15, 2010. Cohesive Capital Partners (AIV), L.P. was formed and commenced operations on December 1, 2011. The Partnerships have a term of 10 years from June 29, 2012, the Final Closing Date, and are subject to earlier dissolution and termination upon the occurrence of certain events as described in the Agreements. The General Partner may extend the term of the Partnerships for successive one-year periods up to a maximum of two years. Thereafter, the Partnerships will liquidate in an orderly manner and distribute all investments or proceeds.

The General Partner of the Partnerships is Cohesive Capital (GP), L.P., a Delaware limited partnership (the "General Partner").

The Manager of the Partnerships is Cohesive Capital Management, L.P., a Delaware limited partnership (the "Manager").

A Limited Partner of the Partnerships, Morgan Stanley Smith Barney Cohesive Capital Partners Onshore Feeder, L.P. (the "Feeder Fund"), is an entity that is under common control with the Partnerships, and holds 30.90% of the total committed capital of the Partnerships.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The financial statements have been prepared on a combined basis and reflect the combined assets, liabilities and partners' capital, results of operations, changes of partners' capital and cash flows of the Partnerships.

Use of Estimates

The preparation of combined financial statements in conformity with US GAAP requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ materially from these estimates. Management believes that the estimates and assumptions that affect the amounts reported in the combined financial statements are reasonable.

Cash

Cash consists of cash in banks. At any time, cash in banks may exceed federally insured limits.

Investment Transactions

Purchases and sales of investments are recorded on the closing dates. Investments are recorded at fair value with changes in unrealized appreciation and depreciation reflected in the Combined Statement of Operations.

Investment Valuations

The Partnerships generally invest in equity and equity related securities that have no public market trading price. These investments are stated at fair value as determined by the General Partner in accordance with its judgment based on a written valuation methodology. Fair value is the estimated amount that would be received to sell a portfolio investment in an orderly transaction between willing market participants in an unforced transaction at the measurement date. Investments in securities actively traded on a national securities exchange are valued at the last reported sales price on the day of valuation. In certain situations, where sale restrictions are deemed to be a component of the security, the valuation of such securities may be discounted from the market price.

Fair value for unquoted investments will normally be determined utilizing the valuation methodology which was used in the purchase of the investment. The methodology selected is documented and

2. Summary of Significant Accounting Policies (continued)

generally applied consistently, particularly with respect to (in cases of a "multiples-based approach") the type of multiple used and the discount (premium) applied to the multiple (where applicable). A number of types of valuation methodologies are commonly used, including, but not limited to, "multiples-based approaches", relevant net asset value metric, discounted cash flow value, PV10 (for oil & gas) and option value.

Should a multiple-based valuation be appropriate, the valuation multiple applied in determining fair value may incorporate adjustments that make the market multiple appropriate to the non-public or thinly traded investee company. This multiple will be applied to the relevant performance criteria of the investee company. The aim is to identify companies that are as similar as possible to the company underlying the investment (the "Investee Company") in terms of business activities, size, geography, or other attributes deemed relevant by the General Partner.

It is noted, where possible, fair value may be determined using valuations implied by material financing events for the Investee Company that involve third party capital providers.

The fair values of portfolio investments as of any particular date are not necessarily indicative of amounts that may ultimately be realized as a result of future sales or other dispositions of investments held. Additionally, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a public market for the investments existed, and such differences could be material.

Income Taxes

As limited partnerships, the Partnerships are generally not subject to income taxes; rather, their net income and losses are passed through directly to their Partners for inclusion in their taxable income or loss. Accordingly, no provision for federal, state and local income taxes has been made in the accompanying combined financial statements.

The Partnerships have analyzed their inventory of tax positions taken with respect to applicable income tax issues for open tax years (2010-2012) (in each respective jurisdiction), and have concluded that no provision for income tax is required in the Partnerships' combined financial statements. The Partnerships recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the combined statement of operations. During the nine months ended September 30, 2013, the Partnerships did not accrue any interest or penalties.

The General Partner files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Partnerships are subject to examination by federal, state, and local jurisdictions, where applicable. The Partnerships follow the authoritative guidance under US GAAP on

2. Summary of Significant Accounting Policies (continued)

accounting for and disclosure of uncertainty in tax positions, which requires the General Partner to determine whether a tax position of the Partnerships are more likely than not to be sustained upon examination processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the combined financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority.

Revenue and Expense Recognition

Realized gains and losses from sales of investments are determined using specific identification and are recorded on the closing dates. Interest income is recognized on an accrual basis as earned. Discounts are accreted and premiums are amortized as adjustments to interest income and the identified cost of investments. Dividends from investment securities are recognized as of the ex-dividend date. Expenses are recognized on an accrual basis as incurred.

All transaction costs, whether directly attributable to investments that are consummated or not consummated (broken deals), are expensed as incurred.

Placement Fees

Placement Fees incurred in connection with the sale of interests in the Partnerships are charged directly to Partners' capital as incurred and are reflected in the Combined Statement of Changes in Partners' Capital. 100% of all Placement Fees paid by the Partnerships are deducted against future Management Fees owed to the Manager until such time as all Placement Fees paid by the Partnerships have been offset.

3. Fair Value Measurement

In accordance with Accounting Standards Codification ("ASC") 820-10, Fair Value Measurement and Disclosures, the Partnerships disclose the fair value of their investments in a hierarchy that prioritizes the transparency of inputs used in determining fair value. The transparency of the inputs is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of transparency and a lesser degree of judgment used in measuring fair value.

3. Fair Value Measurement (continued)

The fair value of portfolio investments is determined in accordance with the methods described in Note 2 and is categorized as follows:

Level I – Unadjusted quoted prices in active markets for identical assets or liabilities that the partnership has the ability to access.

Level II – Observable inputs other than quoted prices included in Level I that are observable for the asset or liability, either directly or indirectly.

Level III – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the partnership's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

An investment's classification within a level in the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The General Partners' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and is not necessarily indicative of the General Partners' perceived risk of that investment.

The following table summarizes the valuation of the Partnerships' portfolio investments by the fair value hierarchy levels described above as of September 30, 2013:

	Level I	Level II	Level III	Total
Common Shares	$ -	$ -	$ 48,667,101	$ 48,667,101
LLC Units	-	-	16,124,082	16,124,082
LP Interest	-	-	13,386,226	13,386,226
Total Investments	$ -	$ -	$ 78,177,409	$ 78,177,409

The changes in portfolio investments at fair value for which the General Partners have used Level III inputs to determine fair value are as follows:

	Common Shares	LLC Units	LP Interest	Total
Balance at December 31, 2012	$ 32,545,898	$ 22,515,287	$ 10,000,000	$ 65,061,185
Purchase of investments	12,697,997	2,500,000	5,000,000	20,197,997
Return of capital	-	-	(4,034,768)	(4,034,768)
Net change in unrealized appreciation (depreciation)	3,423,206	(8,891,205)	2,420,994	(3,047,005)
Balance at September 30, 2013	$ 48,667,101	$ 16,124,082	$ 13,386,226	$ 78,177,409

All net unrealized appreciation and depreciation in the table above is reflected in the accompanying combined statement of operations. The net change in unrealized depreciation relating to those financial

3. Fair Value Measurement (continued)

instruments still held by the Partnerships at September 30, 2013 was $3,047,005.

The Partnerships' policy regarding the timing of transfers between levels, including both transfers into and transfers out of Level III, is to measure and record the transfers at fair value at the end of the reporting period. For the nine months ended September 30, 2013, the Partnerships had no transfers between Levels I, II, or III.

On a quarterly basis the General Partner assesses fair value for each unrealized investment in the partnership based on the following process: financial statements (audited if available) are received either directly from the management teams of the companies or from the private equity sponsor; the General Partner discusses the results and the state of operations with the management teams and/or sponsors; after the financial statements are reviewed for each company, fair values are determined using the valuation methodology described in the Investment Valuations section of Note 2 to the Combined Financial Statements; fair values are submitted to the members of the Limited Partner Advisory Council ("LPAC") for review as LPAC consent is required in order to finalize fair values; and annually, after receiving LPAC approval, fair values are reviewed by the Fund's auditor before being finalized and included in the Fund's annual audited financial statements.

4. Capital Contributions and Commitments

The initial Closing Date of the Partnerships occurred on November 15, 2010, with total commitments of $95,600,000. The second closing occurred on June 16, 2011, with additional commitments of $12,250,000. The third closing occurred on November 29, 2011, with additional commitments of $1,500,000. The fourth closing occurred on April 25, 2012, with additional commitments of $40,300,000. The fifth closing occurred on June 1, 2012, with additional commitments of $22,267,000. The final closing occurred on June 29, 2012, with additional commitments of $28,400,000, for total commitments of $200,317,000.

As of September 30, 2013, the Partnerships received cumulative capital contributions amounting to $112,054,457 (55.94%), of which a total of $35,355,201 (17.65%) was returned to Partners, with $123,617,744 (61.71%) remaining unfunded. Of the amount returned, $15,264,575 (7.62%) related to equalization payments due to the admission of additional Limited Partners, $18,090,626 (9.03%) related to realized proceeds from investments, while $2,000,000 (1.00%) related to the return of contributions. The amounts returned are subject to future recall.

Upon each subsequent closing of the Partnerships, the new or increasing Partners contributed capital equal to the amount each would have contributed for Investments, Partnership Expenses and Management Fees if they had been admitted to the Partnerships from inception. All contributions made by Partners admitted into the Partnerships in prior closings in excess of their Pro Rata share after giving effect to such

4. Capital Contributions and Commitments (continued)

admission or increase were distributed to those Partners as a return of recallable capital. All realized and unrealized investment gains and losses, and all other components of partnership income and expenses from inception were allocated among the Partners as if all Partners were admitted to the Partnerships as of the initial Closing Date, in accordance with Note 6.

5. Commitments and Contingencies

In the normal course of business, the Partnerships enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnerships' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnerships that have not yet occurred. The General Partner expects the risk of loss to be remote.

6. Allocation of Partnership Profits and Losses

Except as otherwise specially allocated pursuant to the Agreements, realized and unrealized investment gains and losses, and all other components of partnership income and expenses, other than management fees, are allocated among the Partners in a manner such that the Capital Account of each Partner is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Partner if the Partnerships were dissolved, their affairs wound up and their assets sold for cash equal to their Carrying Value, all Partnership liabilities were satisfied (limited with respect to each nonrecourse liability to the Carrying Value of the assets securing such liability), including the Partnerships' share of any liabilities of an entity treated as a partnership for US federal income tax purposes of which the Partnerships are partners, and the net assets of the Partnerships were distributed to the Partners immediately after making such allocation. In general, profits and losses are allocated in a manner consistent with the distribution methodology disclosed in Note 7.

7. Distributions

Investment Proceeds of any Investment and any other cash available for distribution by the Partnerships shall initially be distributed to the Partners (including, for the avoidance of doubt, the General Partner) in proportion to each of their respective Percentage Interests with respect to such Investment. Notwithstanding the previous sentence, the share of each Limited Partner of each distribution of Investment Proceeds from an Investment shall be divided between such Limited Partner and the General Partner as follows:

(i) First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Investment Proceeds from such Investment and all Realized Investments equal to:

7. Distributions (continued)

(A) such Limited Partner's Capital Contributions for such Investment and all Realized Investments (but not Additional Amounts thereon) and such Limited Partner's pro rata share of any Aggregate Net Losses from Writedowns ("Realized Capital"); and

(B) the product of (I) the sum of such Limited Partner's Capital Contributions for the Management Fee, Organizational Expenses and other Partnership Expenses (but not Additional Amounts thereon) as of such date and (II) a fraction the numerator of which is the sum of such Limited Partner's Capital Contributions for all Realized Investments as of such date and the denominator of which is such Limited Partner's Capital Contributions for all Investments as of such date (such amounts, together with such Limited Partner's Realized Capital, "Realized Capital and Costs");

(ii) Second, 100% to such Limited Partner until the cumulative distributions to such Limited Partner of Investment Proceeds from such Investment and all Realized Investments equal an 8% per annum cumulative compounded rate of return, calculated from each relevant Payment Date, on such Limited Partner's Realized Capital and Costs;

(iii) Third, (A) 80% to the General Partner and (B) 20% to such Limited Partner to the extent, if any, necessary so that the cumulative distributions of Carried Interest to the General Partner from such Investment and all Realized Investments with respect to such Limited Partner, equal 15% of the sum of: (X) the excess of (I) the cumulative distributions to such Limited Partner of Investment Proceeds from such Investment and all Realized Investments over (II) the amount described in (i) above, plus (Y) the cumulative distributions of Carried Interest to the General Partner from such Investment and all Realized Investments with respect to such Limited Partner; and

(iv) Thereafter, (A) 85% to such Limited Partner and (B) 15% to the General Partner.

Temporary Investment Income, if any, consists of income from sources other than the securities in which the Partnerships have actually invested or the securities issued as a dividend thereon. Each distribution of Temporary Investment Income shall be divided among all Partners (including the General Partner) pro rata in proportion to their respective proportionate interests in the Partnerships' property or funds that produced such Temporary Investment Income, as reasonably determined by the General Partner.

If, as of the final distribution, distributions of Carried Interest to the General Partner have been made with respect to any Limited Partner and either:

(i) the cumulative distributions to such Limited Partner of Investment Proceeds do not equal or exceed the sum of (A) the aggregate amount of Capital Contributions made by such Limited Partner and (B) the Preferred Return; or

7. Distributions (continued)

(ii) the aggregate distributions of Carried Interest to the General Partner with respect to such

Limited Partner exceed 15% of the sum of (A) the Cumulative Net Distributions with respect to such Limited Partner, and (B) the aggregate distributions of Carried Interest to the General Partner with respect to such Limited Partner, then the General Partner shall be obligated to return promptly to the Partnerships the Clawback Amount, as defined in the Agreements.

The General Partner deposits into an "Escrow Account" 25% of the amount of any Carried Interest that would otherwise be distributed to the General Partner. As of September 30, 2013, $187,568 of Carried Interest was held in the Escrow Account.

The General Partner shall reallocate any Clawback Amount to the Limited Partners. As of September 30, 2013, $750,274 of realized Carried Interest was reallocated to the Limited Partners for financial reporting purposes. Such amount will be reallocated to the General Partner when performance and distributions exceed the terms of the prior two paragraphs as of the measurement date.

8. Syndication and Organizational Costs

Syndication costs incurred in connection with the marketing and sale of the interests in the Partnerships are charged directly to Partners' capital as incurred and are reflected in the Combined Statement of Changes in Partners' Capital. In accordance with the Agreements, the Partnerships will bear all organizational expenses and syndication costs up to a maximum of $500,000. As of the Final Closing Date, the Partnerships have been charged $357,745 in organizational expenses and syndication costs since inception.

9. Related Party Transactions

The Partnerships pay a Management Fee to the Manager pursuant to the Management Agreement, which shall accrue beginning on the Closing Date. Prior to the expiration or termination of the Commitment Period, the Management Fee shall be equal to 1.5% per annum of the aggregate amount of Capital Commitments of the Limited Partners (other than Affiliates of the General Partner) as of the first day of the period in respect of which the Management Fee is then being paid. Thereafter, the Management Fee shall be equal to 1.25% per annum of the aggregate amount of Capital Contributions by the Limited Partners (other than Affiliates of the General Partner) in respect of Investments which have not been the subject of a Disposition. Management Fee expense for the nine months ended September 30, 2013 was $2,126,492.

9. Related Party Transactions (continued)

As of September 30, 2013, the Partnerships had $168,814 Due from Partners. This amount represents net amounts due from Limited Partners to the Partnerships for Capital Contributions and 2012 and 2013 Federal and state tax payments, and due to Limited Partners from the Partnerships for 2012 Federal tax refunds.

10. Loans Payable

Effective May 1, 2013, the Partnership entered into a revolving loan agreement with First Republic Bank to draw a maximum of $15,000,000 at an interest rate equivalent to the prime rate plus 0.25% per annum. The loan agreement is scheduled to mature May 1, 2014 and is secured by undrawn capital commitments of the Partnership. As of September 30, 2013, the Partnership has an outstanding loan balance in the amount of $6,959,689. During the nine month period ended September 30, 2013 the Partnership incurred interest totaling $74,395.

11. Market and Other Risk Factors

Multiple risk factors exist which could cause the Partnerships to lose some or all of its invested capital. These risks include, but are not limited to:

General economic risk—the Partnerships' portfolio investments may be impacted by changes caused by global and domestic market conditions and industry specific economic conditions. Changes in the market for public offerings could also have an effect on the Partnerships and their ability to realize their investment objective.

Market risk—the Partnerships' portfolio investments may be subject to, among other things, the potential for both gains and losses from price risk, interest rate risk, currency risk, and liquidity risk.

Concentration risk—the Partnerships invest in securities in a limited number of companies that may not reflect a balanced or fully diversified portfolio.

Investee risk—certain Partnership investees may be smaller entrepreneurial companies which may have limited business histories, product or service lines, markets, financial resources and management depth. Such companies also may not have achieved profitable operations, or positive cash flows.

Master-Feeder risk— due to the nature of the master-feeder fund structure, the Partnerships could be materially affected by the capital activity of the Feeder Fund.

12. Financial Highlights

The Partnerships have presented the following disclosures for non-registered investment companies:

	Nine Months Ended September 30, 2013
Ratios to Average Limited Partners' Capital:	
Total Expenses	3.54%
Net Investment Loss	(3.54)%

	From Inception Through September 30, 2013
Internal rate of return*:	
September 30, 2013	(4.53)%
December 31, 2012	2.25%

*The internal rate of return was computed from inception of the Partnerships, based on the actual dates of the cash inflows and outflows and the residual value of the Limited Partners' capital accounts, net of all allocations to the General Partner and fees, as of each measurement date. In addition, individual Limited Partners' returns and ratios may differ from those indicated above due to varying investment participation and the timing of individual capital contributions and distributions. Due to the long-term nature of the limited partners' investment in the Partnerships, future realization of investments may be at different values than the current carrying values of portfolio investments, resulting in rates of return that may differ materially from those indicated above.

13. Investments

On February 22, 2013, Cohesive Capital Partners, L.P. invested $9,999,997 in Standard Bancshares, Inc.

On May 22, 2013, Cohesive Capital Partners, L.P. funded an additional $1,360,000 in Chase Holdco, Ltd., a holding company for Epic Pantheon International Gas Shipping.

On June 28, 2013, Cohesive Capital Partners (AIV), L.P. invested $3,800,000 in TCP Templar Holding SPV LLC, which owns a minority of the Class A Units of Templar Energy LLC.

On July 12, 2013, Cohesive Capital Partners (AIV), L.P. invested $1,900,000 in Templar Energy LLC.

On July 22, 2013 and August 5, 2013, Cohesive Capital Partners, L.P. funded an additional $583,000 and $755,000 respectively in Chase Holdco, Ltd., a holding company for Epic Pantheon International Gas Shipping.

13. Investments (continued)

On August 15, 2013, Cohesive Capital Partners, L.P. distributed gross recyclable proceeds of $4,034,768 from THL Equity Fund VI Investors, L.P. which was fully offset by capital called for investments and partnership expenses.

On August 27, 2013, Cohesive Capital Partners (AIV), L.P. invested $1,200,000 in TCP Templar Holding SPV LLC, which owns a minority of the Class A Units of Templar Energy LLC.

On September 4, 2013, Cohesive Capital Partners (AIV), L.P. invested an additional $600,000 in Templar Energy LLC

14. Subsequent Events

On October 11, 2013, Cohesive Capital Partners, L.P. invested $988,636 in CASA Exploration Management, LLC.

On October 29, 2013, Cohesive Capital Partners, L.P. invested $6,301,005 in Carlyle Interlink Coinvestment, L.P.

On November 12, 2013, Cohesive Capital Partners, L.P. funded an additional $4,856,000 in Chase Holdco, Ltd., a holding company for Epic Pantheon International Gas Shipping.

As of November 19, 2013, Cohesive Capital Partners, L.P. is committed to invest $11,000,000 in OSYS Holdings, LLC, a holding company for OmniSYS, LLC.

Subsequent events have been evaluated up to and including November 19, 2013, the date the financial statements were available for issuance.