

**Century Capital Management, LLC**

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Part 2A of Form ADV: Firm Brochure  
March 29, 2011

**This brochure provides information about the qualifications and business practices of Century Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 617-482-3060. 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.**

**Additional information about Century Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Not applicable.

### Item 3. Table of Contents

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#### **Item 4. Advisory Business**

For purposes of this brochure, the “Adviser” means Century Capital Management, LLC (“Century”), a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with Century, but possess a substantial identity of personnel and/or equity owners with Century. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds or may serve as general partners of the Funds.

The Adviser provides investment advisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As of March 31, 2011, the Adviser provides such services to Century Capital Partners II, L.P., Century Capital Partners III, L.P., Century Capital Partners IV, L.P., and Century Focused Fund III, L.P. (the “Main Funds”). The Adviser may, in the future, advise additional funds.

The Adviser may also, from time to time, establish, on a transaction-by-transaction basis, certain investment vehicles through which certain persons may invest alongside one or more Main Funds in a particular investment opportunity (each such vehicle, a “Co-Investment Vehicle”). Co-Investment Vehicles are typically limited to investing in securities relating to the transaction with respect to which they were organized. Additionally, the Adviser may form and serve as general partner (or in an analogous capacity) to alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions.

The Main Funds, Co-Investment Vehicles and Alternative Investment Vehicles are collectively referred to as the “Funds.”

The Funds make primarily long-term private equity and equity-related investments, and may, to a lesser extent, invest in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in lower middle market financial services companies and related distribution and service businesses. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, a “Management Agreement”). Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

The principal owners of Century Capital Management, LLC are Davis R. Fulkerson and Alexander L. Thorndike. Century has been in business since 2004. As of February 28, 2011, the Adviser had \$2.9 billion in assets under management, including the net assets of the Funds, which totaled \$249 million. All assets are managed on a discretionary basis.

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

As compensation for services rendered to the Funds, the Adviser receives from each Main Fund an advisory fee (each, an “Advisory Fee”). An Advisory Fee paid by a Main Fund is indirectly borne by investors in such Main Fund.

In addition, the Adviser and its affiliates may perform management, advisory, transaction-related, financial advisory and other services (“Related Services”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. Although these fees are in addition to the Advisory

Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund. Typically, Advisory Fees are billed in arrears in conjunction with capital calls and deducted from the assets of the Funds.

The Advisory Fees paid by a Fund generally will be reduced by the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, as well as by fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's limited partnership agreement or analogous organizational documents.

To the extent provided in the partnership agreements and other organizational documents of the Funds, the Adviser will pay out of Advisory Fees certain operating expenses, including normal overhead expenses, office expenses, and office and equipment rental, entertainment, salaries and employee benefits, and other routine administrative expenses relating to the services and facilities provided to the Funds. Each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, and other similar fees and expenses.

Additionally, please see Item 6 below regarding "Carried Interest" that Funds may pay.

Although the Adviser generally does not use the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

A portion of the profits of each Main Fund and Alternative Investment Vehicle is allocated to the capital account of its general partner, if any, as "carried interest" (the "Carried Interest"). The general partner of each Main Fund is a related person of the Adviser. Carried Interest is indirectly borne by investors in the Main Fund or Alternative Investment Vehicle.

The payment by some, but not all, Funds of Carried Interest may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or allocate investment opportunities to such Funds. Generally, this conflict is mitigated by provisions restricting the Adviser, its affiliates and its principals, without the prior written consent of investors representing a majority of the aggregate commitments to the Main Fund, from establishing a new investment fund with objectives substantially similar to those of the Main Fund until such time as the applicable Main Fund is at least 75% invested or committed. With respect to Funds that do not pay Carried Interest, such as the Co-Investment Vehicles, this conflict is largely mitigated since Co-Investment Vehicles invest alongside one or more Main Funds in accordance with rules contained in the offering and organizational documents of the relevant Funds. Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

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

The Adviser currently provides investment supervisory services to the Funds (subject to the direction and control of the general partner of each such Fund) and not to the investors in such Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

### Methods of Analysis and Investment Strategies

The Adviser targets investment opportunities in the financial services industry, including companies such as insurers, banks, lenders, credit card processors, specialty finance, healthcare services, asset management and distribution businesses. The investment process includes an assessment of the size of a market niche, its growth and profitability characteristics, and competitive threats. If the Adviser believes that the market segment possesses attractive characteristics, it will then seek to more fully understand the value proposition and competitive attributes of a specific company. The Adviser conducts fundamental analysis on potential target companies, focusing on revenue and earnings growth, the management team and management’s philosophy, valuation, competitive advantages, and cash flow. Once it has established that a new investment has the required growth, profitability characteristics and management team to be an attractive addition to the portfolio, due diligence (including, but not limited to, an external review of accounting and financial information, legal diligence, management background checks, and competitor and customer reference checks) is performed to test the original investment thesis.

Valuation parameters are based primarily on discounted publicly-traded or completed transaction multiples for comparable companies and reevaluated in light of their relationship to historic valuation ranges. The Adviser targets investments whose entry prices as well as projected exit values remain within these ranges. Investments are structured to provide participation in upside results while providing protection for downside outcomes. The Adviser prefers purchasing senior liquidation preference equity securities to minimize downside volatility. While the Adviser will invest in minority as well as majority positions, it looks to secure shareholder rights and Board level representation in both instances.

### Risks

Investing in securities involves risk of loss that all clients should be prepared to bear.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Equity Risk. A substantial portion of each Fund’s investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the nature and magnitude of the various factors that could affect the value of such investments will be evaluated correctly. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund’s activities.

**Liquidity Risk.** Each Fund's investment portfolio will consist primarily of investments in private companies. It is unlikely that there will be a readily available market for a Fund's investments. Each Fund will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws or unless an exemption from such registration requirement is available. It is highly speculative as to whether and when a portfolio company will be able to register its securities so that the securities become eligible for trading in public markets. In addition, in some cases, a Fund may be prohibited by contract or legal or regulatory reasons from selling securities for a period of time. There can be no assurance that a Fund will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to the Partners.

**Diversification Risk.** Although the Funds will not invest more than 15% of aggregate commitments in any one portfolio company, diversification is not an objective of the Funds. Each Fund's portfolio may include a small number of large positions. As a consequence, the aggregate return may be substantially adversely affected by the unfavorable performance of even a single investment.

**Market Risk.** The capital, credit and securities markets have recently been experiencing unprecedented levels of volatility and disruption. Ongoing volatility could negatively impact a Fund in a number of ways. Many of the investments purchased, held and sold on behalf of a Fund may be complex, and their market values will be highly sensitive to market changes. Overall returns may be reduced as relatively small changes in the capital, credit or securities markets may have significant impacts on the profitability of Fund investments.

**Foreign Investment Risk.** The Funds may invest in portfolio companies whose principal executive offices or corporate headquarters are, at the time of initial investment, outside of the United States or Canada. Investing in non-U.S. securities may involve substantially greater risks than investing in U.S. securities including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency to another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations, potential restrictions on foreign investments and repatriation of capital and the risks associated with political, economic or social instability, diplomatic developments and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities. While these factors will be taken into consideration, there can be no assurance that the risks accurately will be evaluated accurately or that adverse developments with respect to such risks will not adversely affect the value or realization of investments that are held by a Fund in certain countries.

**Foreign Currency and Exchange Rate Risks.** A portion of the Funds' investments and the income received by the Funds with respect to such investments may be denominated in non-U.S. currencies. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by a Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by a Fund. In addition, a Fund may incur costs in converting investment proceeds from one currency to another.

**Inside Information.** From time to time, the Adviser or its affiliates may come into possession of material, non-public information concerning an entity in which a Fund has invested or proposes to invest, and the possession of such information may limit the ability of a Fund to buy or sell securities of such entity or to distribute such securities to the limited partners.

## **Item 9. Disciplinary Information**

Not applicable.

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

### **Related General Partners**

Various limited partnerships (the “General Partners”) serve as general partners of the Funds. The general partners of the General Partner are limited liability companies controlled by the Adviser’s personnel. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### **Code of Ethics**

The Adviser has adopted a written Code of Ethics that is applicable to all of its officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, disgorgement of profits realized or losses avoided, fines, censure, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Century Capital Management, 100 Federal Street, 29<sup>th</sup> Floor, Boston, MA 02110, Attn: Chief Compliance Officer.

### **Participation or Interest in Client Transactions**

The Adviser and certain employees and affiliates of the Adviser may invest the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

### **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

### ***Resolution of Conflicts***

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific



conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds; and
- Generally, each Main Fund has established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion.

### *Conflicts*

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, including the Funds.

In recognition of its fiduciary duties, it is the policy of the Adviser to treat the Funds fairly and equitably in the allocation of investment opportunities and transactions more generally.

The Funds are generally subject to investment allocation requirements (collectively, "Investment Allocation Requirements"). Investment Allocation Requirements may be set forth in the instrument under which the Fund was established (such as a Fund's limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. As of March 29, 2011, Century Capital Partners II, L.P. is fully-invested, and Century Capital Partners III, L.P. and Century Capital Partners IV, L.P. are fully-invested (except for possible follow-on investments in existing portfolio companies).

The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund's investment objectives, strategies and structure. A Fund's investment objectives, strategies and structure typically are reflected in the Fund's offering memoranda and organizational documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities may be set forth in a Fund's offering documents and/or operating agreement;
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds; and
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

The Adviser will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any Fund in relation to any other Funds. Further, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund, (ii) the profitability of any Fund or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and (iv) certain persons other than investors in the Funds (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons.

In exercising its discretion to allocate co-investment opportunities among the Funds and other persons, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered; and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The allocation of investment opportunities may not, and often will not, result in proportional allocations, and such allocations may be more or less advantageous to some persons relative to other persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest did not exist.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit. In addition, principal executive officers and other personnel of the Adviser invest indirectly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

#### *Conflicts Related to Purchases and Sales*

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

#### *Management of the Funds*

The Adviser manages a number of Funds that have investment objectives similar to each other and may, in the future, establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these employees.

#### *Conflicts Relating to the General Partner and the Adviser*

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Transactions by employees are subject to the policies and procedures set forth in the Adviser's Code of Ethics.

#### *Fee Structure*

As discussed in Item 6 above, the General Partners of the Funds are entitled to Carried Interest under the terms of the limited partnership agreements of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest may create an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

### *Related Services*

As described in Item 5 above, Century and its affiliates may perform Related Services for, and will receive fees from, actual or prospective portfolio companies. Such fees will be in addition to any Advisory Fees or Carried Interest paid by the Funds to Century. This creates a conflict of interest between Century and its affiliates and the Funds and their investors because the amounts of these fees may be substantial and the Funds and their investors generally do not have an interest in these fees. The amount of these fees may not (except in connection with the reductions described below) be disclosed to investors in the Funds. Century and its affiliates will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and nature of this reduction varies from Fund to Fund and is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund.

### *Diverse Membership*

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

### *Side Letter Agreements*

The Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different information rights, co-investment rights, and liquidity or transfer rights.

## **Item 12. Brokerage Practices**

The Funds invest primarily in private equity. The Adviser anticipates that investments in publicly traded securities will be very infrequent (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, etc.). However, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

### Selection of Brokers and Dealers

In selecting broker-dealers and determining the reasonableness of their commissions, the Adviser will use its best judgment to choose the broker-dealer most capable of providing the best available overall combination of price and execution. The full range and quality of brokerage services available and the requirements of specific transactions will be considered in making these determinations. Relevant empirical and subjective factors will include, but not be limited to: demonstrated execution capability, proposed commission charges, settlement and clearing capabilities, the reputation and experience of the broker, the willingness of the broker to commit capital, the need for anonymity in the market, block trading coverage, ability to position, use of automation, administrative ability, or provision of market information relating to the security.

### Research and Other Soft Dollar Benefits

In those instances where it is reasonably determined that one or more broker-dealers can offer the brokerage services needed at the best available overall combination of price and execution, the Adviser may take into consideration the receipt of research and brokerage services, consistent with its obligation to seek best price and execution for client transactions. As permitted by Section 28(e) of the Securities Exchange Act of 1934, the Adviser may cause clients to pay a broker-dealer that provides "brokerage and research services" commissions that

exceed those that might otherwise be paid for trade execution only if the Adviser determines in good faith that the higher commission is reasonable in relation to the value of the brokerage and research services provided.

The term "brokerage and research services" includes advice as to the value of securities and the advisability of investing in, purchasing or selling securities; analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; investment research reports; access to analysts; electronic data services; reports or databases containing corporate, fundamental, and technical analyses; portfolio modeling strategies; economic research services; and trade analytics that assist the firm's investment management process.

The Adviser receives both proprietary research (which is created or developed by the broker-dealer) and research developed by third parties, on a soft dollar basis. When the Adviser uses clients' brokerage commissions to obtain research or other products or services, the Adviser receives a benefit because the firm does not have to produce or pay for the research, products or services. Therefore, the Adviser may have an incentive to select a broker-dealer based on the firm's interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Research or other products or services received from broker-dealers may benefit the client account(s) for which the trade is executed and/or it may be used for the benefit of any other account(s) under the management of the Adviser. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

During the last fiscal year, the following types of products and services were acquired with client brokerage commissions: analyses and reports concerning issuers, industries, securities, economic factors and trends; investment research reports; access to analysts and management representatives; electronic data services; reports and databases containing corporate, fundamental, and technical analyses; portfolio modeling programs; and economic research services.

#### Directed Brokerage

The Adviser believes that its ability to select broker-dealers to execute transactions in publicly traded securities is important to its ability to obtain best execution and to maximize investment returns for its clients over time. Accordingly, Century generally discourages client direction of trading to designated brokers, whether for commission recapture or other purposes.

#### Aggregation of Trades

The Adviser may, but is not required to, aggregate the orders of more than one Fund for the purchase or sale of the same publicly traded security to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other funds for which it has trading authority or in which it or its affiliates have an economic interest. In such cases, each participating Fund typically will receive the average price for each execution of a transaction.

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

#### Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis.

## Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports after each fiscal quarter end. The Adviser may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Investors in a Co-Investment Vehicle will receive the reports and other information described in the organizational documents governing such Co-Investment Vehicle.

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

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such fees are generally paid by the Adviser or the Advisory Fees received by the Adviser are reduced by the amount of such fees.

## **Item 15. Custody**

Not applicable.

## **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds, subject to the discretion and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Co-Investment Vehicles and Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity or opportunities, and the Adviser typically has limited discretion to invest the assets of the Co-Investment Vehicles or Alternative Investment Vehicles independent of the limitations as set forth in the organizational documents of the Co-Investment Vehicle or Alternative Investment Vehicle and applicable Main Fund.

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

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("proxies"). The guiding principle by which the Adviser votes all proxies is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings, taking into account the relevant Fund's investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any proxy. However, the Adviser reserves the right to abstain on any particular proxy or otherwise withhold its vote or consent on any matter if, in the judgment of a Managing Partner of the Adviser, the costs associated with voting such proxy outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds cannot direct the Adviser's Vote.

The Adviser's Chief Compliance Officer is responsible for monitoring proxies voted for any conflicts of interest, regardless of whether they are actual or perceived. The Adviser's Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

A client may obtain information about how Century voted proxies in the client's account by sending a written request to: Century Capital Management, 100 Federal Street, 29<sup>th</sup> Floor, Boston, MA 02110, Attn: Chief Compliance Officer.

**Item 18. Financial Information**

Not applicable.

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

Not applicable.

**This Brochure pertains to the private equity business of Century Capital Management, LLC.  
To obtain a Brochure for the firm's public securities business, please contact us at (617) 482-3060.**