

Item 1. Cover Page

**Trilantic Capital Management LLC
Part 2A of Form ADV
The Brochure**

399 Park Avenue, 15th Floor
New York, NY 10022
(212) 607-8450
<http://www.trilanticpartners.com/>

Updated: July 2012

This brochure provides information about the qualifications and business practices of Trilantic Capital Management LLC (“TCM”). If you have any questions about the contents of this brochure, please contact us at 212-607-8450. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. Additional information about TCM is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This public filing of Form ADV Part 2A (the “Brochure”) for TCM amends and restates in its entirety any prior public filings of the Brochure. Material changes made to the prior Brochure (updated March 2012) include additional disclosure regarding (i) the addition of two principal owners of TCM (see Item 4), (ii) additional funds managed by TCM (see Items 4, 8 and 10), (iii) changes to the schedule of management fees earned by TCM from the Funds (see Item 5), (iv) TCM’s investment strategy (see Item 8) and (v) placement agent fees and expenses (see Item 14).

Item 3. Table of Contents

<u>Item 2. Material Changes</u>	2
<u>Item 3. Table of Contents</u>	3
<u>Item 4. Advisory Business</u>	3
<u>Item 5. Fees and Compensation</u>	4
<u>Item 6. Performance Based Fees and Side-by-Side Management</u>	6
<u>Item 7. Types of Clients</u>	6
<u>Item 8. Methods of Analysis, Investment Strategies and Risk of Loss</u>	7
<u>Item 9. Disciplinary Information</u>	9
<u>Item 10. Other Financial Industry Activities and Affiliations</u>	9
<u>Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u>	10
<u>Item 12. Brokerage Practices</u>	10
<u>Item 13. Review of Accounts</u>	11
<u>Item 14. Client Referrals and Other Compensation</u>	12
<u>Item 15. Custody</u>	12
<u>Item 16. Investment Discretion</u>	12
<u>Item 17. Voting Client Securities</u>	12
<u>Item 18. Financial Information</u>	14
<u>Item 19. Requirements for State-Registered Advisers</u>	14

Item 4. Advisory Business

TCM was formed under the laws of the State of Delaware on April 3, 2009. In April 2009, TCM, together with Trilantic Capital Partners L.P. Inc., a Guernsey limited partnership (“Trilantic Europe”) and certain affiliates of each of them (collectively, “Trilantic”) completed the acquisition of Lehman Brothers Merchant Banking (“LBMB”) from the estate of Lehman Brothers Holdings Inc. (“Lehman Brothers”). The acquisition was executed in partnership with Reinet Investments S.C.A. (“Reinet”), a Luxembourg securitization vehicle controlled by the Rupert family and listed on the Luxembourg Stock Exchange, with Reinet Fund S.C.A. F.I.S (a wholly-owned subsidiary of Reinet) acquiring a minority economic interest in TCM and Trilantic Europe in connection with the transaction. TCM has been registered with the SEC as an investment adviser since January 2010 and its principal owners are Charles Ayres (a “Partner” of TCM and its “Chairman”), E. Daniel James (a “Partner” of TCM and its “Head of North America”), Christopher R. Manning, Jon Mattson and Charles Moore (each, a “Partner” of TCM) and Reinet.

TCM serves as an investment manager to Trilantic Capital Partners III L.P. (together with certain related parallel investment vehicles, “Fund III”), Trilantic Capital Partners IV L.P. (together with certain related parallel investment vehicles, “Fund IV Global”) and Trilantic Capital Partners V (North America) L.P. (together with certain related parallel investment vehicles, “Fund V North America” and collectively with Fund III and Fund IV Global, the “Funds”). Fund III and Fund IV Global are organized to make private equity investments primarily in North America and Europe; Fund V North America is organized to invest exclusively in North America. TCM formulates the investment objective for each Fund, directs and manages the investment and reinvestment of each Fund’s assets, and provides periodic reports to investors in each Fund. Investment advice is provided directly to each Fund and not individually to the investors of the

Funds. TCM manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund.

TCM's strategy is to create a sustainable business model that sources and invests in significant long-term capital appreciation opportunities with appropriate risk-reward characteristics in the buyout/growth capital private equity asset class. TCM seeks to partner with management teams, entrepreneurs, and/or family owned businesses, and TCM focuses primarily on investing in companies in target industry sectors in which TCM's investment team has significant resources and expertise.

TCM originates and recommends investment opportunities for the Funds, identifies sources of capital for prospective and existing portfolio investments, structures, monitors and evaluates portfolio investments, recommends the manner and timing of dispositions of portfolio investments and provides certain other services (including certain administrative services necessary for the operation of the Funds) related thereto.

Specifically, TCM generally renders the following services in connection with the Funds' investment programs:

- analysis and investigation of potential portfolio companies, including their business, operations, management, financial condition, competitive position and prospects for future performance;
- analysis and investigation of potential dispositions of portfolio investments, including identification of potential acquirers and evaluation of offers made by such potential acquirers;
- structuring of acquisitions and dispositions of portfolio investments;
- identification and arranging of sources of capital and other financing for portfolio investments and portfolio companies;
- supervision of the preparation and review of all documents required in connection with the acquisition, disposition or financing of each portfolio investment; and
- monitoring of the performance of portfolio companies and, where appropriate, providing advice to the management of the portfolio companies during the life of a portfolio investment.

In addition to the services of its own staff, TCM arranges for and coordinates the services of other professionals and consultants. TCM may engage one or more sub-advisors (including any affiliate) to perform investment advisory and investment management services to the Funds. TCM currently engages Trilantic Europe as a sub-advisor in respect of Europe-based investments of Fund III and Fund IV Global. All sub-advisory fees are borne by TCM at no cost to the Funds. Additionally, TCM may be engaged to perform similar sub-advisory services and is currently engaged as a sub-advisor to various employee securities companies that are advised by Lehman Brothers Private Equity Advisers L.L.C.

TCM manages its Funds on a discretionary basis. As of June 30, 2012, TCM manages \$3.8 billion of assets of the Funds, which amount represents the aggregate capital commitments of the Funds.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. Fund III and Fund IV Global are closed to new capital commitments. The securities of Fund V North America are offered and sold on a private placement basis under exemptions from

registration promulgated under the U.S. Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state securities laws and the securities laws of other jurisdictions where any offering may be made. Any such offer or solicitation will be made only by means of a confidential offering memorandum and related subscription materials.

Item 5. Fees and Compensation

TCM earns management fees for its advisory and/or sub-advisory services as follows:

- The management fees are paid semi-annually in advance (per the dates set forth in the governing documents applicable to each respective Fund entity).
- During the investment period, the management fees are an annual fee which typically ranges from 1.50% to 2.00% of the aggregate amount of the Funds' capital commitments of their limited partners as of the first day of the period in respect of which the management fees are then being paid, unless otherwise reduced under the terms of the respective Fund's applicable agreements.
- After the expiration of the investment period, the management fees are an annual fee which typically ranges from 1.00% to 1.50% of the Capital Under Management, as defined in each respective Fund's applicable agreements.
- The management fees commenced accruing as of the relevant Fund's closing date and, unless required to be paid as a direct payment pursuant to the applicable governing documents, is paid by the applicable Fund to TCM.
- The management fee is prorated for the number of days elapsed in each payment period, and in the case of the last period of a Fund, TCM shall refund to each limited partner the amount of the management fee paid by such limited partner allocable to that portion of such period which is subsequent to the end of such last period.
- During the fundraise period of a Fund, if an additional limited partner is admitted to the Fund or an existing limited partner increases its capital commitment at a subsequent closing of such Fund, such limited partner is obligated to pay to the Fund or TCM, as the case may be, on the date of such subsequent closing (or such later date as determined by the general partner of such Fund), a retroactive management fee. The retroactive management fee is calculated from the initial closing date through the subsequent closing date, plus any additional amounts determined by TCM or the Fund's general partner in accordance with the terms of the governing documents of the Fund.
- Gross management fees may be subject to certain offsets ("Available Fees") as described in each Fund's respective governing documents.
- TCM may, from time to time, waive or reduce management fees and/or carried interest for employees, Operating Executives, Operating Partners, agents, consultants, strategic co-investors (and their partners, members, shareholders, employees, agents or consultants or their respective affiliates), individuals providing material business assistance to TCM or its affiliates, and/or limited partners of the Funds. For example, Reinet and its affiliates do not pay management fees or carried interest to TCM or its affiliates. In addition, members of the Trilantic Advisory Board, among others, have the contractual right to co-invest in portfolio companies of the Funds and do not pay management fees or carried interest on these investments to TCM or its affiliates.

In addition to management fees, TCM may also earn board of directors and monitoring fees from portfolio companies of the Funds, as well as origination and disposition advisory fees. As noted above, certain fees collected by TCM, the general partners of the Funds or certain of their affiliates, which meet the definition of Available Fees, are offset against gross management fees.

Detailed information regarding the fees and expenses charged to the Funds is provided in each Fund's respective governing documents. In addition to management and carried interest or incentive fees (described in Item 6), limited partners will indirectly bear the fees and expenses charged to the Funds. Those fees and expenses will vary, but generally include organizational expenses, legal, investment banking, consulting and accounting fees, taxes, commissions and brokerage fees, certain fees to government regulatory agencies, the cost of directors' and officers' liability insurance, information services, professional fees, custodial, trustee, record keeping, partnership reporting, printing, annual limited partner meetings, Trilantic Advisory Board meetings and member fees and expenses, Limited Partner Advisory Committee meetings, Operating Executive and/or Operating Partner fees and costs, fees and expenses of Reinet's designees on the Investment Committees of Fund IV Global and Fund V North America, due diligence costs for new investment opportunities, deal and broken deal costs, and travel, which includes first or business class commercial travel and may, on occasion, the use of non-commercial planes, lodging, meals and communications relating to the foregoing, and other expenses allowable under the terms of the Fund's respective governing documents. TCM may initially pay any fees and expenses to be borne by the Funds, and then be reimbursed by the Funds. From time to time, TCM may also retain consulting firms and advisors to conduct due diligence, provide industry analysis and consult on portfolio companies. The related consulting expenses are borne by the Funds. This list is not intended to be exhaustive; investors should review all fees charged by TCM, its affiliates, and others described in the confidential offering memoranda and governing documents of each applicable Fund to fully understand the total amount of fees to be paid by each Fund and, indirectly, such Fund's limited partners.

TCM's employees and certain of its affiliates and/or strategic partners, including supervised persons of TCM, may choose to participate as purchasers of certain products and services at TCM's negotiated rate, on the same terms and conditions as TCM and/or the Funds and thus are beneficiaries of such arrangement(s) to the extent utilized and accordingly pay their share of these costs and expenses. Each person or entity that purchases products and services at the negotiated rate either contracts directly with the provider of those products and services and is billed separately for the products and services it purchases, or reimburses TCM for their share of actual costs, and is liable for the costs of those products and services. This practice may present a conflict of interest as it may provide TCM's supervised persons an incentive to recommend certain products and services based on benefits received. TCM has a Code of Ethics, among other compliance policies, in place to address such potential conflicts of interest.

In order to achieve certain economies of scale, TCM shares certain administrative support costs and other expenses with the sub-advisor or affiliates thereof.

From time to time, TCM's employees, affiliates and/or strategic partners may receive promotional items, discounts and/or other benefits from its portfolio companies on terms not commercially available to all customers. TCM has a gifts and entertainment policy, among other compliance policies, in place to address any potential conflicts of interest that may arise from receipt of such gifts or benefits.

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

The Funds pay a carried interest to the general partners of the Funds, which are related persons of TCM, of up to 20% of the cumulative net profits of a Fund. The foregoing performance-based carried interests are generally subject to the achievement of an 8% annual rate of return on the amount of the unreturned capital contributions of investors with respect to a transaction, as of the

date of determination. The carried interest may create an incentive for the general partner of each respective Fund to make more speculative investments and/or different decisions regarding the timing and manner of the realization of such investments than would be made if such carried interest were not allocated to the general partner.

TCM seeks to address these conflicts through (i) careful review of investment opportunities by a screening committee and an investment committee, (ii) disclosure of investments to limited partners by way of written notices and quarterly reports, and (iii) equity investments by a number of TCM's investment professionals directly, or indirectly (through the general partners or parallel partnerships) in the Funds. In addition, the governing documents of the Funds and/or general partners that provide performance based carried interest have "clawback" and vesting provisions.

Item 7. Types of Clients

TCM provides investment advisory and investment management services to private investment funds. The minimum capital commitment for an investor in a Fund is outlined in each respective Fund's governing documents. Generally, the minimum commitment for third party investors has been set at \$5,000,000 or \$10,000,000 (or \$1,000,000 for certain parallel vehicles of the Funds); however, TCM has the authority to deviate (and has deviated in the past) from these minimum commitments.

In addition, the Funds have entered into separate agreements, commonly referred to as "side letters", with certain investors, to waive or supplement certain terms, or allow such investors to invest on different terms than those specifically described in the offering documents. Side letters are confidential and not shared with all investors.

Investors are required to make certain representations when investing in a Fund, including but not limited to representing that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deemed relevant to evaluate the merits and risks of the prospective investment, and (iii) they have the ability to bear the economic risk of an investment in the applicable Fund.

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

TCM primarily invests in privately held domestic and foreign entities in industries including but not limited to business services, consumer, energy, financial services, industrial, media and healthcare. TCM currently seeks to maximize the Funds' returns through investments in middle market companies primarily in North America and, with respect to Fund III and Fund IV Global, Europe. The investment strategy is focused on working with management teams to grow revenues, earnings and cash flow, including through the prudent use of financial leverage. TCM targets companies with enterprise values typically ranging from \$100 million to \$1 billion and seeks to make equity investments in these companies generally ranging from \$50 million to \$200 million per investment.

TCM makes investments via equity and equity-linked securities, including preferred stock, debt securities purchased in connection with equity and equity-oriented investments (or which have equity-like returns), bridge financings, and temporary investments in mezzanine securities. TCM seeks to partner with management teams with a compelling vision and business strategy, a well-developed framework for execution, extensive industry and operating experience and an established performance record. TCM's investment team has a long and successful history of

backing exceptional management teams to acquire or form new businesses in attractive or dislocated industries. TCM seeks to invest in businesses with strong market positions, unique franchises, secure and growing market niches or distinctive products and services that command premium prices or margins. TCM believes the historical performance and prospects of a business should support a reasonable valuation that permits the achievement of target return objectives. TCM places emphasis on business fundamentals and opportunities for growth rather than what may appear to be bargains or undervalued assets. TCM uses debt financing prudently with the objective of allowing a portfolio company the flexibility to adapt to unforeseen economic conditions and to execute its business plan. TCM looks to provide an appropriate capital structure tailored to a portfolio company and the industry in which it operates. TCM may make and has made majority or control investments and significant minority investments. Through board representation and shareholder rights, TCM requires control or significant influence over decisions that may affect the value of an investment. TCM believes an analysis of exit alternatives is integral to the evaluation of an investment and seeks to position investments for sale via the public or private markets within a three to five-year time frame.

All investments involve a risk of loss and the investment strategy offered by TCM could lose money over short or even long periods of time. The description contained below is a brief overview of several risks related to TCM's investment strategy:

General Market, Business and Management Risk. Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors, which may or may not be known at the time of investment. Fund III and Fund IV Global have incurred and may continue to incur expenses in currencies other than the U.S. Dollar and as such are exposed to currency risk if the foreign exchange rates move significantly from the date of the expense to the date of the settlement. Fund V North America may incur expenses in currencies other than the U.S. Dollar and as such would be exposed to the same risk.

With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases TCM will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company.

The Funds' cash is subject to credit risk of the institution where the cash is held. The Funds are also subject to the credit risk of entities which have significant obligations to the Funds as well as their portfolio companies.

Lack of Diversification. TCM expects that the Funds will have a portfolio that has targeted, but not absolute, diversification. Fund III and Fund IV Global have made and expect to continue to make their investments in North America and Western Europe; Fund V North America will make investments in North America only. North America investments generally target the following industry sectors, although investments have been and may be made in others as well: business services, consumer, energy and financial services. Western Europe investments generally target the following industry sectors, although investments have been and may be made in others as well: consumer, energy, industrials, TMT, healthcare, business services and financial services.

Liquidity Issues. The Funds' portfolio investments primarily include illiquid, non-publicly traded securities. Since these investments are illiquid, the investments can be subject to a variety of restrictions on resale and there can be no assurance that the Funds will be able to realize the stated value of such investments in a timely manner or at all. Risks affecting these portfolio companies include, but are not limited to, increasing competition, rapid changes in technology, changes in economic conditions and macroeconomic factors in the portfolio companies' countries of operations, as well as political risk. Certain investments may have foreign currency risk to the extent they conduct business transactions in currencies other than their functional currency. These factors could have a negative effect on the ultimate realizable value of the Funds' investments and the timing of exit.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive private equity investments is highly competitive and involves a high degree of uncertainty. The Funds face competition from numerous competitors in all fields of activity. The Funds are and expect to continue to be competing for investments with a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. Additional funds with similar investment objectives may be formed in the future by other parties. There can be no assurance that the Funds will be able to identify or consummate investments that satisfy the Funds' investment criteria or that they will be able to invest fully their available capital.

Valuation of Assets. Most of the securities owned by the Funds are not publicly traded and are required to be fair valued by TCM. When estimating fair value, TCM will consider various methodologies based on its best judgment that is appropriate in light of the nature, facts and circumstance of each portfolio investment. Valuations are subject to multiple levels of review for approval (including review by a third party valuation firm). Ensuring that portfolio investments are fairly valued is an important focus of TCM.

Investors should review a Fund's Private Placement Memorandum ("PPM") and other governing documents to understand the risks and potential conflicts of interest of the Fund. Neither the risks described herein nor the risks and potential conflicts of interests in any respective Fund's PPM are intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of any of the Funds.

Item 9. Disciplinary Information

None of TCM nor any of its management persons have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of TCM's advisory business or integrity of TCM's management.

Item 10. Other Financial Industry Activities and Affiliations

As described in Item 4 above, related persons of TCM serve as a general partner on behalf of the Funds and receive carried interest. In addition, Reinet indirectly owns a 49% non-operating interest in TCM (a "sales percentage"), which entitles Reinet to proceeds upon certain capital transactions (*i.e.*, sale or public listing) involving TCM, but not entitling Reinet to current or operating income of TCM. Reinet has a carried interest on the realization of the portfolio investments of Fund IV Global and Fund V North America, and has designated two out of seven and two out of eight representatives of Fund IV Global's and Fund V North America's investment committees, respectively. Affiliates of Reinet are also limited partners in Fund IV Global and Fund V North America and do not pay management fees or carried interest with

respect to such investments.

Trilantic Europe, a related person of TCM and the investment advisor of Trilantic Capital Partners IV (Europe) L.P. (together with its related entities, “Fund IV Europe”), is a Europe-based private investment fund. The three founding partners of Trilantic Europe are members of the investment committee (out of a total of seven members) which makes investment decisions on behalf of Fund IV Europe and members of the executive committee (out of a total of six members) which makes investment decisions on behalf of Fund III. Two of the founding partners of Trilantic Europe are members of the investment committee (out of a total of seven members) which makes investment decisions on behalf of Fund IV Global. One of the founding partners of Trilantic Europe is a member of the investment committee (out of a total of eight members) which makes investment decisions on behalf of Fund V North America. The Europe-based investments of Fund IV Global are co-investments with Fund IV Europe based on a pre-determined percentage set forth in the Fund IV Global governing documents.

Co-investment entities and co-investors may present conflicts of interest. Co-investment opportunities are offered to members of the Trilantic Advisory Board and, at the discretion of TCM, may be offered to third parties and/or current or potential limited partners of the Funds. TCM does not usually charge management fees or carried interest on these co-investment opportunities. Expenses borne by the Funds are generally allocated among any parallel funds, co-investment vehicles and other entities that comprise the Funds that shared in the activities generating such expenses.

It is possible that TCM and/or the Funds may occasionally utilize the services of entities (or affiliates thereof) that have direct or indirect investments in the Funds. Such services will only be used on an arm’s length basis and when they are in the best interest of the Funds and otherwise are in compliance with the applicable governing documents of the applicable Fund.

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

TCM has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that is predicated on the principal that TCM owes a fiduciary duty to its clients. Accordingly, employees of TCM must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of clients. To avoid any potential conflicts of interest, TCM’s Code of Ethics requires employees to, among other things:

- Act with integrity, competence, dignity, and in an ethical manner with the public, clients, prospects, and third-party service providers;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting TCM’s services, and engaging in other professional activities;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with TCM’s Code of Ethics; and
- Comply with applicable provisions of the federal securities laws.

TCM's Code of Ethics also requires access persons to, among other things: (1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide TCM with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such access persons have a direct or indirect beneficial interest.

A copy of TCM's Code of Ethics shall be provided to any current or prospective investor upon request.

Certain employees of TCM and/or related entities or persons will have investments in the Funds. In addition, TCM and/or the respective general partners will participate in the Funds' investment program by agreeing to commit a certain percentage of the Funds total capital commitments or a certain amount as defined in the Funds' governing documents. Therefore, TCM, its employees or a related entity economically participate in transactions effected for Funds. Furthermore, certain employees of TCM may be offered an opportunity to participate in investment opportunities associated with former portfolio companies.

In addition, TCM may arrange for a transaction amongst or between certain Funds, Fund IV Europe and/or their portfolio companies. In any such circumstances, TCM will enter into such transactions only on a basis that TCM reasonably determines in good faith to be fair and reasonable taking into account any conflicts and any other considerations deemed relevant by TCM and/or the general partner of such Fund and otherwise in accordance with such Fund's operating agreements.

Item 12. Brokerage Practices

TCM focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent TCM transacts in public securities, it intends to select brokers based upon the broker's ability to provide best execution for the Funds. TCM considers the following primary factors in selecting brokers:

- industry expertise
- service quality
- best execution
- qualified custodian
- financial stability
- commission costs

TCM is generally authorized to make the following determinations, subject to the Funds' investment objectives and restrictions, without obtaining prior consent from the relevant Funds or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

Although TCM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

TCM does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to TCM's own research effort. To the best of TCM's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers.

TCM aggregates transactions across client accounts in accordance with each Fund's respective governing documents; however, some client accounts are required to be excluded from new investment opportunities subsequent to TCM's acquisition of LBMB from the estate of Lehman Brothers.

In February 2010, TCM and Evercore Partners Inc. (NYSE: EVR) announced the formation of a strategic alliance to pursue private equity investment opportunities for the Funds and collaborate on future business opportunities. Pursuant to this strategic alliance, certain principal owners of TCM obtained an interest in Evercore Partners Inc. and an affiliate of Evercore Partners Inc. obtained certain economic rights in respect of Fund IV Global and Fund V North America.

Item 13. Review of Accounts

Generally, the Funds' investments are reviewed on a continuous basis by TCM's investment professionals. These reviews are designed to monitor and analyze client transactions, positions, and investment levels. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels. Additionally, TCM monitors and manages the performance of the underlying portfolio investments (*i.e.*, accounts) in the Funds through representation on the portfolio companies' board of directors and further (as appropriate) advises the portfolio companies' management team on financial, operating and strategic matters during the terms of the portfolio investments.

The Funds' investors typically receive quarterly unaudited and annual audited financial statements. Individual unaudited capital account statements are typically provided on a quarterly basis. Some investors are entitled to annual audited financial statements and annual individual unaudited capital account statements only, according to the terms of their respective Funds' Agreements.

Material new investments are communicated to investors, typically via letters describing the investment.

Item 14. Client Referrals and Other Compensation

During the fundraising cycle of a Fund, TCM compensates placement agents who introduce investors that commit capital to such Fund. The amount paid to placement agents is based on point-in-time negotiation and such placement arrangements are fully disclosed to prospective investors referred by placement agents as required by law or other agreements with investors. TCM or its affiliates generally charge the applicable Fund for such placement fees or otherwise cause the Fund to pay such fees; however, all such fees due to placement agents by such Fund reduce the management fee otherwise payable by the Fund's limited partners by an identical amount.

TCM or its affiliates may charge portfolio companies origination fees, disposition fees, breakup fees, commitment fees, monitoring fees and other similar fees. TCM's investment professionals who serve on the board of directors of portfolio companies may receive cash compensation, options and/or restricted stock in their capacity as directors. In accordance with each Funds'

applicable governing documents and as discussed in Item 5, certain of these fees collected by TCM or its affiliates that meet the definition of Available Fees are offset against the gross management fee otherwise payable.

From time to time, TCM's investment professionals serve on the board of directors of companies which are not portfolio companies of the Funds and may earn fees for their services. These fees are not applied to reduce any management fees payable by the Funds.

Item 15. Custody

All client assets are held in custody by unaffiliated broker/dealers or banks, which are considered "qualified custodians" under SEC Rule 206(4)-2, however TCM has access to client accounts since it or an affiliate serves as the general partner of each Fund. Investors in the Funds will not receive statements from the custodian. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and distributed within 120 days of each respective Fund's fiscal year end.

Item 16. Investment Discretion

TCM generally has discretionary authority to determine, without obtaining specific consent from the Funds or their investors, the securities and amount to be bought or sold. Investors in the Funds may not impose any limitations on the investment discretion of TCM, other than any limitations on authority that are included in the Funds' limited partnership agreements and investment advisory agreements.

Item 17. Voting Client Securities

A majority of the portfolio companies held by the Funds are private companies which typically do not issue proxies. However, in the event that proxies are required to be voted, TCM has adopted the following procedures:

- TCM will vote its clients' proxies in the best interest of its clients and not its own.
- TCM will seek to avoid material conflicts of interest between the interests of TCM on the one hand and the interests of its clients on the other.
- If the Chief Compliance Officer ("CCO") and/or investment staff member detects a material conflict of interest in connection with a proxy solicitation, the CCO must be informed and will then elevate the matter to TCM's Chairman or Head of North America for discussion. The CCO or his designee will retain a memo to the files describing the material conflict of interest and the proposed resolution.
- TCM will vote proxies in the interest of maximizing value for TCM's clients.
- All proxy solicitation materials received by TCM shall be received by the Principal or Partner on the respective deal(s) and shared with the CCO and/or his designee.
- A copy of the deal team(s) proxy vote remittance will be provided to the CCO and/or his designee.

A number of TCM's investment professionals serve as board members for the Funds' portfolio companies. In situations where TCM votes the proxy for a company in which a member of TCM serves on the board of directors, TCM has determined that it does not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Funds' investment and to ensure that the Funds' interests are protected.

A record of all proxy votes cast on behalf of the Funds will be maintained for at least five years and available for review. Please note that TCM may rely on proxy statements filed on the SEC's EDGAR system. Investors should contact the CCO for a copy of the proxy voting policy or information with respect to a specific proxy vote.

Item 18. Financial Information

TCM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

The accompanying Statement of Assets, Liabilities and Members' Capital has been prepared in accordance with accounting principles generally accepted in the United States of America. The independent public accountant responsible for issuing an audit report on the accompanying Statement of Assets, Liabilities and Members' Capital is Deloitte & Touche LLP.

Trilantic Capital Management LLC

(a Delaware Limited Liability Company)

Statement of Assets, Liabilities and Members' Capital

December 31, 2011

(in thousands)

Assets

Cash	\$	7,549
Due from affiliates		1,390
Restricted cash		600
Prepaid expenses and other assets		360
Fixed assets, net		141
Total assets	\$	<u>10,040</u>

Liabilities and Members' Capital

Liabilities

Deferred revenue	\$	7,306
Accounts payable and accrued expenses		1,620
Due to affiliates		124
Other liabilities		133
Total liabilities		<u>9,183</u>
Total members' capital		<u>857</u>
Total liabilities and members' capital	\$	<u>10,040</u>

Item 19. Requirements for State-Registered Advisers

Not Applicable.