

**FORM ADV PART 2A  
INVESTMENT ADVISER BROCHURE**

**SUN CAPITAL ADVISORS, INC.**

**5200 Town Center Circle, Suite 600  
Boca Raton, FL 33486  
(561) 394-0550  
<http://www.suncappart.com>**

**February 9, 2012**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Sun Capital Advisors, Inc. (“Sun Capital Advisors”). If you have any questions about the contents of this Brochure, please contact us at (561) 394-0550. 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 authority.**

Sun Capital Advisors is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>Brochure</u></b>	
<b>Material Changes.....</b>	<b>1</b>
<b>Advisory Business.....</b>	<b>2</b>
<b>Fees and Compensation .....</b>	<b>4</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>7</b>
<b>Types of Clients.....</b>	<b>8</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>8</b>
<b>Disciplinary Information .....</b>	<b>15</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>15</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>15</b>
<b>Brokerage Practices.....</b>	<b>17</b>
<b>Review of Accounts.....</b>	<b>19</b>
<b>Client Referrals and Other Compensation .....</b>	<b>19</b>
<b>Custody .....</b>	<b>19</b>
<b>Investment Discretion .....</b>	<b>20</b>
<b>Voting Client Securities .....</b>	<b>20</b>
<b>Financial Information .....</b>	<b>21</b>
<b>Rules of Construction.....</b>	<b>21</b>

## **MATERIAL CHANGES**

**As Sun Capital Advisors is a newly registered investment adviser, there are no material changes to report as of the date of this Brochure. In the future, this section of the Brochure will include the date of the Brochure's last annual/interim update and a summary of specific material changes that have been made to the Brochure since the time of that update.**

## ADVISORY BUSINESS

Sun Capital Advisors, a Florida corporation, is a registered investment adviser and the management company of the private investment firm commonly known as “**Sun Capital Partners**” and provides, through affiliated entities, investment advisory services to several private investment funds with assets totaling approximately \$8.5 billion. Sun Capital Partners, Inc. (“**SCPI**”), an affiliate of Sun Capital Advisors, commenced operations in 1995.

The following are the affiliated investment advisers of Sun Capital Advisors (together with Sun Capital Advisors, the “**Advisers**”):

### *General Partners*

- Sun Capital Advisors II, LP, a Delaware limited partnership (“**Sun Capital II**”);
- Sun Capital Advisors III, LP, a Delaware limited partnership (“**Sun Capital III**”);
- Sun Capital Advisors IV, LP, a Delaware limited partnership (“**Sun Capital IV**”);
- Sun Capital Advisors V, L.P., a Cayman Islands exempted limited partnership (“**Sun Capital V**”);
- Sun Capital Securities Advisors, LP, a Delaware limited partnership (“**SCSA**”); and
- Sun Capital Securities Advisors III, L.P., a Cayman Islands exempted limited partnership (“**SCSA III**”).

### *Investment Managers*

- Sun Capital Securities Management, LLC, a Delaware limited liability company (“**SCSM**”); and
- Sun Capital Securities Management III, LP, a Delaware limited partnership (“**SCSM III**”).

Sun Capital Advisors’ clients include the following (collectively the “**Funds**,” and together with any future private investment fund to which Sun Capital Advisors or its affiliates provide investment advisory services, “**Private Investment Funds**”):

- Sun Capital Partners II, LP, a Delaware limited partnership (“**Fund II**”);
- Sun Capital Partners III, LP, a Delaware limited partnership (“**Fund III Non-QP**”);
- Sun Capital Partners III QP, LP, a Delaware limited partnership (“**Fund III QP**,” and together with Fund III Non-QP, “**Fund III**”);
- Sun Capital Partners IV, LP, a Delaware limited partnership (“**Fund IV**”);
- Sun Capital Partners V, L.P., a Cayman Islands exempted limited partnership (“**Fund V**,” and together with Fund II, Fund III and Fund IV, the “**LBO Funds**”);

- Sun Capital Securities Fund, LP, a Delaware limited partnership (“**Onshore Fund**”);
- Sun Capital Securities Offshore Fund, Ltd., a Cayman Islands exempted company (“**Offshore Fund**”);
- Sun Capital Securities Fund III, LP, a Delaware limited partnership (“**Onshore Feeder III**”); and
- Sun Capital Master Securities Fund III, L.P., a Cayman Islands exempted limited partnership (“**Master Fund III**,” and together with Onshore Fund, Offshore Fund and Onshore Feeder III, the “**Securities Funds**”).

The advisory services of the Advisers are described in this Brochure. The general partner entities listed above (the “**General Partners**”) each serve as general partner to one or more Funds and the investment managers listed above (the “**Investment Managers**”) each serve as the investment manager to one or more of the Securities Funds. Each General Partner and Investment Manager is deemed registered under the Advisers Act pursuant to Sun Capital Advisors’ registration in accordance with SEC guidance. The General Partners and Investment Managers make arrangements for investment advisory and other services (including personnel) from Sun Capital Advisors to fulfill their obligations to the Funds. The General Partners of the LBO Funds are referred to herein as “**LBO Fund General Partners**.” References in this Brochure to the “**Fund Advisor**” mean the relevant Adviser(s) arranging such services from Sun Capital Advisors and/or its affiliates and their respective personnel on behalf of the Funds.

The Funds are each private investment funds and, with respect to the LBO Funds, generally invest through negotiated transactions in holding companies that in turn own operating entities. Each Fund is a pooled investment vehicle, and individual investors generally are not permitted to place limitations on a Fund’s investments or restrict the Fund Advisor’s investment authority. See “Investment Discretion.”

The Securities Funds were originally established to make investments in non-controlling and, to a limited extent, controlling positions in both private and public debt and equity securities, although the Securities Funds are no longer making new platform investments. Investments of the LBO Funds are made predominantly in non-public companies, although investments in certain public companies are permitted. From time to time, the senior principals or other personnel of Sun Capital Advisors or its affiliates may serve on portfolio company boards of directors and provide business advisory and consulting services to such portfolio companies. The Fund Advisor’s services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, monitoring investments and achieving dispositions for such investments, each on a discretionary basis.

The Fund Advisor’s activities for the Funds are detailed in the applicable private placement memorandum and limited partnership agreement, articles of association or other governing document, as applicable (each such document, a “**Fund Agreement**”), and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Limited partners or shareholders, as applicable (each, an “**Investor**”), in the Funds generally participate in the overall investment program of the applicable Fund, although certain Investors in the Funds

may be excused from a particular investment due to legal, regulatory or other applicable constraints.

As of December 31, 2011, Sun Capital Advisors managed approximately \$8.5 billion in client assets on a discretionary basis. Sun Capital Advisors is beneficially owned equally by the Marc J. Leder Revocable Trust and the Rodger R. Krouse Revocable Trust, trusts established on behalf of Marc J. Leder and Rodger R. Krouse, the co-founders of Sun Capital Partners and Co-CEOs of SCPI and Sun Capital Advisors.

## **FEES AND COMPENSATION**

In general, and except as described herein, the Advisers are eligible to receive a management fee (the “**Management Fee**”) and a performance-based carried interest (or incentive allocation, as applicable) in connection with the Fund Advisor’s advisory services. Other Sun Capital Advisors affiliates receive additional compensation in connection with advisory services provided to Fund portfolio companies (or their subsidiaries) and such additional compensation may offset in whole or in part the management fees otherwise payable to the Advisers. Investors in a Fund also bear certain fund expenses. These forms of compensation are detailed below, as is an Adviser’s right to permit investors who are affiliated with an Adviser to invest through a Fund’s General Partner without being subject to carried interest (or incentive allocation, as applicable).

### **LBO Funds**

#### *Management Fee*

Each of the LBO Funds will pay its General Partner, quarterly in advance, a management fee equal to 2.0% on an annual basis of aggregate Fund Investor capital commitments (“**Commitments**”). Upon the earlier to occur of (i) the date when all Commitments of the relevant Fund have been invested or otherwise used to pay expenses of such Fund and (ii) the fifth anniversary of the initial closing of such Fund, the Management Fee will be reduced and will equal 2.0% of (a) the aggregate funded Commitments plus the aggregated amount of waived Management Fee (as discussed below), as reduced by (b) permanent write downs and distributions constituting returns of capital, as further described in the relevant Fund Agreement. The Management Fee for each LBO Fund (other than Fund V) has been reduced in this manner. The Management Fee will be payable until the final distribution of the relevant Fund’s assets, as described in the relevant Fund Agreement. Installments of the Management Fee payable for any period other than a full calendar quarter are adjusted on a *pro rata* basis according to the actual number of days in such period.

As described in the relevant Fund Agreements of the LBO Funds, the Management Fee will be reduced by 100% of the relevant Fund’s share of directors’ fees paid by such Fund’s portfolio companies to certain Sun Capital affiliates. Affiliates of Sun Capital Advisors will be permitted to retain the following “**Supplemental Fees**” without offset against the Management Fee: (i) 50% of management services or advisory consulting fees (or similar fees) paid to the relevant General Partner (or its affiliates) by any portfolio company, (ii) 50% of transactional consulting fees paid to the relevant General Partner (or its affiliates) in connection with any Fund

investment, proposed investment or disposition and (iii) 50% of all other net fee income received by the relevant General Partner (or its affiliates) from portfolio companies. The remaining 50% of the relevant Fund's portfolio company-related fees will be credited as an offset against Management Fees payable in cash. To the extent that such an offset credit would reduce the Management Fee for a given quarterly period below zero, the credit will be carried forward for application against future Management Fees payable in cash. Notwithstanding the foregoing, affiliates of Sun Capital II will be permitted to retain without offset against the Management Fee 100% of certain fees received with respect to services provided by all "Operating Persons" (as defined in the Fund Agreement of Fund II) subject to certain limitations as set forth in the Fund Agreement of Fund II.

The Fund Agreements of the LBO Funds permit the General Partners to waive or agree to reduce the Management Fee. Any such waived or reduced portion of the Management Fee reduces the amount of capital the applicable General Partner would otherwise be required to contribute to the relevant Fund. The Investors of a Fund are required to make a *pro rata* contribution according to their respective Commitments in lieu of the Management Fee to fund any contribution that would otherwise be required of the relevant General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of Investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above. Due to waived or reduced Management Fees by the General Partners and/or the timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by Investors in a particular Fund, resulting in a net additional benefit to the applicable General Partner and/or its affiliates. As described in the Fund Agreements, the General Partners may have a giveback obligation in the event that a Fund fails to achieve levels of profitability set out in the relevant Fund Agreement.

### *Carried Interest*

Each LBO Fund General Partner is entitled to receive a carried interest with respect to the relevant LBO Fund equal to (i) 20% of all realized profits with respect to Fund II and Fund III and (ii) 25% of all realized profits with respect to Fund IV and Fund V, in each case subject to a 10% preferred return, as more fully described in the relevant Fund Agreement. The carried interest distributed to the relevant LBO Fund General Partner is subject to a potential giveback at the end of the life of the relevant LBO Fund if the applicable General Partner has received cumulative carried interest distributions in excess of the amount to which it otherwise would be entitled. Certain General Partners may exempt certain investors affiliated with such General Partner from payment of carried interest with respect to their investment in the relevant Fund, as such investors invest through the relevant General Partner rather than directly into the relevant Fund.

### *Expenses*

In addition to the Management Fee and carried interest payable to the LBO Fund General Partners, the LBO Funds bear certain expenses. As set forth in the Fund Agreements, each LBO Fund bears all costs, expenses, liabilities and obligations relating to such LBO Fund's activities to the extent not paid by portfolio companies, including without limitation: (i) costs and expenses

attributable to acquiring, holding and disposing of such LBO Fund's investments, including custodial expenses; (ii) legal, accounting, auditing, consulting, financing, filing and other fees and expenses; (iii) expenses of such LBO Fund's advisory board; (iv) costs, expenses, liabilities and obligations relating to such LBO Fund's activities associated with the acquisition, holding or disposition of such LBO Fund's investments (including, without limitation, travel, insurance, litigation and indemnification costs and expenses, judgments and settlements); (v) out-of-pocket fees and expenses incurred by such LBO Fund, the Fund Advisor and/or the Fund Advisor's partners, members, managers, officers or employees relating to investment and disposition opportunities for such LBO Fund not consummated (including, without limitation, legal, accounting, auditing, travel, consulting and other fees and expenses, financing commitment fees, real estate title and appraisal costs, and printing expenses); (vi) unreimbursed out-of-pocket fees and expenses incurred by such LBO Fund, the Fund Advisor and/or the Fund Advisor's partners, members, managers, officers or employees in connection with any conference or meeting of such LBO Fund's limited partners; (viii) taxes, fees and other governmental charges levied against such LBO Fund; (ix) private placement fees and expenses paid to third parties in connection with the organization and funding of such LBO Fund (with the amount of any such placement fees paid by such Fund offset against Management Fees payable in cash); and (x) certain expenses incurred in connection with the organization and funding of the applicable LBO Fund and certain related entities.

## **Securities Funds**

### *Management Fee and Incentive Allocation*

Certain Advisers were eligible to receive a Management Fee in connection with the Fund Advisors' advisory services to the Securities Funds. Affiliates of SCSA and SCSA III may receive additional compensation in connection with advisory services provided to the Securities Funds' portfolio companies (or their subsidiaries). However, both the management fee and incentive allocation have been waived with respect to all Investors in Onshore Feeder III for the remaining term of Onshore Feeder III, and management fees after June 30, 2009 have been waived with respect to Investors in the Onshore Fund and the Offshore Fund (although certain previously-accrued management fees as of June 30, 2009 will be payable on the disposition of certain of such Funds' investments). Investors in the Securities Funds will, however, continue to bear certain fund expenses, as well as, in the case of each tranche of the Onshore Fund and the Offshore Fund, make an annual incentive allocation generally equal to 20% of Fund profits, subject to a high water mark.

### *Expenses*

The Securities Funds bear certain categories of expenses similar to the LBO Funds, as permitted by the relevant private placement memorandum and Fund Agreement:

- with respect to Onshore Feeder III, such expenses include all expenses that SCSA III deems necessary or desirable, including, without limitation, accounting, auditing, tax and tax preparation expenses, legal fees and expenses, professional fees and expenses, investment-related expenses, travel expenses, printing and postage expenses, third-party valuation service expenses, brokerage fees and



commissions, expenses relating to short sales, (including dividend and stock borrowing expenses), clearing and settlement charges, custodial fees, bank service fees, margin and other interest expense and transaction fees, blue sky and corporate filing fees and expenses, insurance expenses, initial offering and organizational expenses, on-going offering expenses and payments for custody of Onshore Feeder III's assets and for the performance of administrative services, any extraordinary expenses (*e.g.*, litigation expenses) and other expenses as incurred by SCSA III and Onshore Feeder III's *pro rata* share of Master Fund III's expenses; and

- with respect to the Onshore Fund and the Offshore Fund, such expenses include all expenses that SCSA or SCSM, as applicable, deems necessary or advisable, including, without limitation, legal, auditing, accounting and other professional expenses, administration expenses, pricing or other appraisal services, research expenses (including research-related travel), organizational expenses and investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, other expenses related to the purchase, sale or transmittal of Fund assets as shall be determined by the relevant Adviser in its sole discretion.

### **Other Information**

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are required to be paid, except as otherwise described in the Fund Agreements and this Brochure, over the term of the applicable Fund. Investors generally are not permitted to withdraw or redeem interests in an LBO Fund, and withdrawals or redemptions generally are permitted from a Securities Fund only to the extent that an Investor's interest therein has not been placed in a side pocket or mandatorily redeemed.

Affiliates of the Advisers, including principals and other employees of Sun Capital Advisors, may receive a portion of the Management Fee, carried interest or other compensation received from a Fund and/or its portfolio companies.

The Funds do not bear the Advisers' ordinary overhead or administrative expenses (such as compensation for Sun Capital Advisors' employees, rent, utilities, equipment and general office expenses). Any brokerage fees will be incurred in accordance with the practices set forth in "Brokerage Practices."

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the LBO Fund General Partners receive a performance-based carried interest allocation on certain realized profits in each LBO Fund. Certain of the Advisers to the Securities Funds may also receive a performance-based incentive allocation, subject to a high water mark, based on certain realized and unrealized profits in the relevant Securities Fund. A performance-based allocation is an allocation representing an asset manager's compensation based on a percentage of net profits of the fund being managed. Although the carried interest with respect to Onshore Fund III has been waived, the Advisers do

not believe this creates a conflict of interest as the Securities Funds are in the process of winding down and disposing of existing investments over time.

## **TYPES OF CLIENTS**

The Fund Advisor provides investment advice to the Funds, privately-offered pooled investment vehicles formed and operated under an exemption under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Accordingly, limited partnership interests or shares, as applicable (each, an “**Interest**”), in a Fund are offered exclusively to investors satisfying eligibility requirements applicable to private placement transactions within the United States and certain offshore transactions.

The Investors participating in a Fund may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or employees of Sun Capital Advisors or its affiliates.

The Funds generally have a minimum investment amount of \$5 million for third-party Investors, and Interests are offered and sold solely to qualified investors (including qualified knowledgeable personnel of Sun Capital Advisors and/or its affiliates, which may invest indirectly in a Fund through the applicable General Partner). Such minimum investment amounts may be waived or modified by the applicable Adviser, subject to applicable law in a Fund’s jurisdiction of formation.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Sun Capital Partners is a private investment firm focused on leveraged buyouts, equity, debt and other investments in market-leading companies. The Fund Advisor’s investment advisory activities with respect to the LBO Funds and the private equity investments of the Securities Funds consist of identifying and evaluating investment opportunities, negotiating investments, monitoring investments and advising regarding the disposition of investments. Investments are predominantly of non-public companies although investments in certain public companies are permitted.

The Securities Funds have ceased making new platform investments and are currently in the process of winding down and disposing of existing investments over time. However, the Securities Funds may make add-on and/or follow-on investments intended to support and/or maximize value with respect to such existing investments. In order to facilitate such add-on and/or follow-on investments, the Securities Funds have maintained cash reserves and Onshore Feeder III has Commitments available to be called from Investors. The Onshore Fund and the Offshore Fund are each divided into two tranches, operated separately, that generally invest in discrete portfolio companies, although both tranches have invested in the same portfolio company in certain instances. Limited partners of the Onshore Fund and shareholders of the Offshore Fund have been redeemed and substantially all public securities investments of the Securities Funds have been liquidated. All remaining investments of the Securities Funds have

been placed in “side pockets” and will be liquidated over time, with proceeds payable to the Investors based on each Investor’s *pro rata* interest in such side pocket investments.

The investment period for the LBO Funds (other than Fund V) is complete, and as discussed above the Securities Funds are no longer pursuing new platform investments; accordingly the Fund Advisor’s activities on behalf of such Funds with respect to the execution of new investments are currently limited to identifying and advising regarding follow-on investments related to such Funds’ existing investment portfolios. Descriptions of such activities herein (other than with respect to Fund V) should be read to refer to the Fund Advisor’s activities undertaken during the investment period and with respect to the Securities Funds, the time during which such Securities Funds were actively pursuing new platform investments or, to the extent applicable, with respect to such follow-on investments.

The Fund Advisor’s investment strategy for the LBO Funds focuses on the acquisition of controlling interests in companies that the Fund Advisor believes have significant market share, brand or franchise value, competitive advantages and/or barriers to entry, but often with poor performance, significant operating challenges, inadequate or incomplete management or in out-of-favor industries. The LBO Funds may also make supplemental investments to support existing portfolio companies for a variety of reasons, including additional funding for add-on acquisitions, and such add-on acquisitions may include companies that are not performing poorly at the time of acquisition. As a result of the above factors, the LBO Funds seek to purchase good quality businesses that are generally distressed or underperforming at the time of acquisition at valuations the Fund Advisor believes to be low relative to underlying potential. The LBO Funds generally invest indirectly through subsidiaries formed as limited partnerships or limited liability companies.

Once an investment opportunity has been identified by the Fund Advisor and undertaken by an LBO Fund, an affiliate of the Fund Advisor provides advice to, and consults with, the board of directors and/or management team of each acquired portfolio company in connection with such portfolio company’s efforts to implement an effective operating strategy to improve the performance of such portfolio company by (i) developing restructuring and operating plans, (ii) building the management team and (iii) providing significant resources to such portfolio company. However, the Fund Advisor does not manage (and, for the avoidance of doubt, none of the Advisers actually manages) operating entities, as such entities have their own management teams who oversee and run the day-to-day operations of such operating entities.

Certain Funds may also implement transactions from time to time intended to hedge against adverse movements between the U.S. Dollar, such Fund’s operating currency, and the currency of non-U.S. portfolio companies.

There can be no assurance that the Fund Advisor will achieve the investment objectives of the Funds and a loss of investment may be possible.

## **Investment and Operating Strategy for LBO Funds**

*Deal Sourcing and Due Diligence.* The Fund Advisor, through Sun Capital Advisors or other affiliates (including subsidiaries of the Funds), markets its investment criteria to its deal

source network with frequent mailings, telephone calls, public relations efforts, conference attendance and in-person meetings. Once a potential investment is identified by the Fund Advisor, the Fund Advisor develops an investment thesis and, through a detailed due diligence process, seeks to verify such thesis and investigate the major business risks. As part of the diligence process undertaken by the Fund Advisor, a detailed analysis is completed, generally including contacting a target company's customers and vendors, trade organizations, the Fund Advisor's contact network and, in certain instances, industry consultants.

*Develop Restructuring and Operating Plan.* Senior members of the transaction team and operating staff of Sun Capital Advisors or its affiliates generally develop a restructuring and operating plan prior to the close of each acquisition focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

*Build Management Team.* Principals of the Fund Advisor may provide advice to a portfolio company board of directors or company management regarding portfolio company personnel. Such advice may be that some or all of the management team at a portfolio company be supplemented or replaced. The Fund Advisor may also assist in locating highly qualified senior managers to lead portfolio companies and may assist in identifying qualified candidates prior to making an investment in a portfolio company.

*Maintain Active Involvement in Portfolio Companies.* Once an investment is made, an affiliate(s) of the relevant Adviser provides advice to the operating entities to encourage them to act decisively and to make appropriate changes to the company, generally within the first three to six months after acquisition. Thereafter, personnel of the Fund Advisor continue to provide counseling and support to the respective portfolio company management teams and to actively monitor the portfolio companies by, among other things, receiving from portfolio companies weekly flash reports and robust monthly financial reports, and scheduling frequent meetings with the senior staff to focus on operations, liquidity, competition, new products and personnel, among other areas.

*Internal Growth and Add-on Acquisitions.* Personnel of the Fund Advisor will also provide consultation and advice to the management team of each portfolio company in connection with such portfolio company's efforts to use its cash flow, imbedded equity value and borrowing capacity to accelerate growth through new product and market opportunities and strategic add-on acquisitions.

*Exit Strategy.* Once the portfolio company has restored a track record of sales growth and consistent profitability, personnel of the Fund Advisor will advise the relevant Adviser with respect to appropriate exit strategies, including the sale to a strategic or financial buyer, an initial or secondary public offering or a recapitalization. Factors considered include the company size, company growth rate, industry and competitive dynamics, banking market conditions and capital market conditions.

## **Investment and Operating Strategy for Securities Funds**

As described above, the Securities Funds have ceased making new platform investments and are currently in the process of winding down and disposing of existing investments over

time, subject to their ability to make add-on and/or follow-on investments intended to support and/or maximize value with respect to such existing investments and to maintain cash reserves and/or uncalled capital in connection therewith.

## **Risks of Investment**

The investment strategies employed by the Fund Advisor on behalf of the Funds carry various levels of risk. All investments include the risk of loss of principal and of any unrealized profits. The equity, debt and private securities markets fluctuate substantially over time and, as recent global and domestic events indicate, positive performance of any investment is not guaranteed. Furthermore, the Funds and their Investors bear the risk of loss that the Fund Advisor's investment strategy entails.

The risks involved with the Fund Advisor's investment strategy and an investment in any of the Funds include, but are not limited to:

*General Investment and Business Risks.* Each LBO Fund's investment portfolio will consist generally of securities issued by non-public companies that are initially considered distressed or underperforming at the time of acquisition, and operating results over a specified period may be difficult to predict. Such investments generally are illiquid and involve a high degree of business and financial risk which can result in substantial losses. Investments in distressed or underperforming companies involve a higher degree of risk than investments in healthy businesses. Furthermore, as entities operating within an exemption under the Investment Company Act, no LBO Fund is subject to the various protections and limitations provided to funds registered under the Investment Company Act (e.g., mutual funds).

*Concentration of Investments.* Each LBO Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment) and, as a consequence, the aggregate return of such LBO Fund may be materially affected by the performance of a single investment or a single industry segment. A greater concentration of investments can increase the risk to which an investment vehicle is subject.

*Lack of Sufficient Investment Opportunities.* It is possible that an LBO Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, Investors generally will be required to pay management fees during the life of the relevant LBO Fund based on the aggregate amount of all Commitments to such LBO Fund during such LBO Fund's initial five-year period, and thereafter based on a formula provided in the applicable LBO Fund Agreement.

*Leveraged Investments.* The LBO Funds typically make use of leverage by recommending that a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both an LBO Fund's opportunities for gain and its risk of loss from a particular investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of an LBO Fund's investments to any deterioration in a

company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such LBO Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, such LBO Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such LBO Fund. Furthermore, the companies in which an LBO Fund invests generally will not be rated by a credit rating agency.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of each LBO Fund's investments and therefore, most of such LBO Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of the relevant LBO Fund.

*Non-U.S. Investments.* Each LBO Fund is permitted to invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due, among other things, to potentially unsettled points of applicable governing law, country-specific risks, risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of such LBO Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on such LBO Fund and/or the partners with respect to such LBO Fund's income, and possible non-U.S. tax return filing requirements for such LBO Fund and/or its Investors.

*Uncertain Economic and Political Environment.* The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of each LBO Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which any LBO Fund makes investments.

*Projections.* Projected operating results of a company in which an LBO Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

*Need for Add-On or Follow-On Investments.* Following its initial investment in a given portfolio company, an LBO Fund may decide to provide additional capital to such portfolio

company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that any LBO Fund will make add-on or follow-on investments or that any LBO Fund will have sufficient capital to make all or any of such investments. Any decision by an LBO Fund not to make add-on or follow-on investments or the inability of such LBO Fund to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for such LBO Fund to increase its participation in a successful operation.

*Investment in Junior Securities.* The securities in which an LBO Fund invests, either directly or indirectly, may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no or limited collateral to protect an investment once made.

*Public Company Holdings.* An LBO Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject any such LBO Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such LBO Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the LBO Fund Advisor's principals, and increased costs associated with each of the aforementioned risks.

*Litigation and Enforcement Risk.* In connection with its investment activities, an LBO Fund could be named as a defendant in a lawsuit or regulatory action, which may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized or for penalties, and even successful defenses against such lawsuits or regulatory actions may result in substantial expenses to any such LBO Fund.

*Hedging Risks.* A portion of an LBO Fund's assets may be invested in securities denominated in various currencies; however, each LBO Fund will value its investments and other assets in U.S. Dollars. To the extent unhedged, the value of any such LBO Fund's assets will fluctuate with U.S. Dollar exchange rates. An LBO Fund may implement currency hedges, including options with fixed premiums and other currency contracts, to hedge against currency fluctuations, but no LBO Fund is obligated to hedge against such fluctuations and there can be no assurance that such currency hedges, even if undertaken, will be effective. Further, currency hedges may result in increased expenses and expose any such LBO Fund to the risks inherent in such transactions, such as the risk of default or non-payment by a counterparty.

*Certain Risks Applicable to Securities Funds.* As described herein, the Securities Funds have ceased making new platform investments and are currently in the process of winding down and disposing of existing investments over time, subject to their ability to make add-on and/or follow-on investments. As such, the risks described in this section as applicable to the LBO Funds should be read to apply equally to the Securities Funds, to the extent applicable to an investment fund in the same or similar lifecycle stage as the Securities Funds.

## **Conflicts of Interest**

During the commitment period of an actively investing Fund, all appropriate investment opportunities are pursued by the Fund Advisor on behalf of such Fund, subject to certain exceptions set forth in the relevant Fund Agreements. Without limitation, the personnel of Sun Capital Advisors and/or its affiliates currently provide services to the other Funds specified herein, which may be similar to such actively investing Fund, and may raise other Private Investment Funds, to the extent permitted by the relevant Fund Agreements, and Sun Capital Advisors and/or its affiliates may direct certain relevant investment opportunities to such Private Investment Funds. In addition, personnel of Sun Capital Advisors and/or its affiliates will continue to manage and monitor such investments made by other investment funds until their realization. Such other investments may compete with companies acquired by any particular Fund.

From time to time, the Fund Advisor will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other Private Investment Funds advised by Sun Capital Advisors and its affiliates. In determining which Private Investment Funds should participate in such investment opportunities, the Fund Advisor is subject to conflicts of interest among the Investors in such Private Investment Funds. In addition, from time to time investments may be sold (directly or indirectly at the portfolio company level) from (or to) a given Fund to (or from) other Private Investment Funds advised by Sun Capital Advisors and its affiliates, which can create conflicts of interest for the Fund Advisor.

The Fund Advisor attempts to resolve such conflicts of interest in light of its obligations to Investors in the Funds and the obligations owed by the Fund Advisor's advisory affiliates to investors in other Private Investment Funds advised by such advisory affiliates, and attempts to allocate investment opportunities among the Funds and such other Private Investment Funds in a fair and equitable manner. Where necessary, the Fund Advisor consults and receives consent to conflicts from any advisory board of Investors formed for a given Fund and/or such other Private Investment Fund(s).

Performance-based fees create certain inherent conflicts of interest with respect to the Fund Advisor's investments on behalf of a given Fund. Because the Advisers' carried interest or incentive allocation, as applicable, is based on a percentage of net profits, it may create an incentive for the Advisers to cause the Funds to make riskier or more speculative investments than would otherwise be the case in the absence of such arrangements. Since the Advisers (and/or their affiliates) are permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, they could have a conflict of interest in connection with approving transactions.

Sun Capital Advisors and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Sun Capital Advisors and/or its affiliates. Additionally, Sun Capital Advisors and/or its affiliates maintain relationships with financial institutions or other service providers, some of which will invest (or will be affiliated with an Investor) in, engage in transactions with and/or provide services to, the Funds or other investment vehicles advised by



Sun Capital Advisors and/or its affiliates. Any of these situations subjects the Fund Advisor and/or its affiliates to potential conflicts of interest.

### **DISCIPLINARY INFORMATION**

Neither Sun Capital Advisors nor those acting on its behalf have been subject to any material legal or disciplinary events required to be disclosed in this Brochure.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Sun Capital Advisors is affiliated with the other Advisers, which are investment advisers under the Advisers Act. Sun Capital Advisors provides investment advisory services to the other Advisers and other Sun Capital Partners entities pursuant to a master advisory agreement. Under SEC guidance, the SEC has deemed these affiliated investment advisers to operate, for registration purposes, as a single advisory business together with Sun Capital Advisors insofar as the other Advisers are registered in reliance upon Sun Capital Advisors' registration with the SEC as an investment adviser. The Advisers serve as managers or general partners of Private Investment Funds and other pooled vehicles and may share common owners, officers, partners, consultants or persons occupying similar positions.

Sun Capital Advisors is also affiliated with Sun European Partners LLP ("**Sun Europe**"), a limited liability partnership incorporated under the laws of England and Wales and registered with the Financial Services Authority. Sun Europe provides investment advice to registered investment adviser entities of Sun Capital Partners. Sun Europe is not required to be registered (or deemed registered) under the Advisers Act, but operates in compliance with certain related requirements and undertakings as prescribed by the SEC.

Prior to June 30, 2011 (the "**Termination Date**"), the Advisers had an arrangement allowing personnel of H.I.G. Capital Management, Inc. ("**H.I.G.**"), an unrelated private equity management firm, or its affiliates to co-invest alongside the Funds in certain Fund investments generally in an amount up to the lesser of (i) 1.0% of the amount invested by the applicable Fund in such investment or (ii) \$100,000. This historical arrangement was reciprocal and certain personnel of Sun Capital Advisors and/or its affiliates were permitted to invest in H.I.G. transactions generally subject to similar size limits. Such H.I.G. opportunities were not presented to or shared with the Funds, and as H.I.G. co-invested alongside the Funds, H.I.G.'s investments were not subject to management fee or carried interest. Following the Termination Date, new platform co-invest opportunities are no longer offered to H.I.G. (and H.I.G. no longer offers new platform co-invest opportunities to personnel of Sun Capital Advisors and/or its affiliates), although follow-on co-investments relating to pre-Termination Date platform investments may still be made.

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

Sun Capital Advisors desires to maintain a high level of professional ethical conduct in furtherance of its fiduciary duty to its advisory clients, and toward such end, Sun Capital Advisors has adopted the Sun Capital Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of individuals

acting on behalf of Sun Capital Advisors and/or the Funds and addresses, among other things, conflicts that arise from personal trading. The Code requires certain personnel who perform services on behalf of Sun Capital Advisors to report their personal securities transactions, requires preclearance of (and otherwise prohibits) the direct or indirect acquisition of beneficial ownership or disposal of securities in an initial public offering or limited offering, and prohibits such personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Sun Capital Advisors Chief Compliance Officer. The Code also prohibits such persons from trading in securities when they are on a watch list of securities that are being considered for purchase or sale by a Fund or other investment vehicles advised by Sun Capital Advisors and/or its affiliates. The Fund Advisor is firmly committed to making personnel acting on behalf of the Fund Advisor aware of the Code's requirements, and to such end, all personnel acting on behalf of Fund Advisor must affirm that they will abide by the Code, and such personnel are further subject to ongoing compliance training that addresses the requirements of the Code and the other policies described herein.

A copy of the Code will be provided to any investor or prospective investor upon request to David Kurzweil, the Sun Capital Advisors Chief Compliance Officer, at (561) 948-7511. Personal securities transactions by personnel of the Fund Advisor who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Sun Capital Advisors and those acting on its behalf may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Sun Capital Advisors and those acting on its behalf are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Sun Capital Advisors.

Accordingly, should Sun Capital Advisors or any of those acting on its behalf come into possession of material nonpublic or other confidential information with respect to any public company, Sun Capital Advisors would be prohibited from communicating such information to clients, and Sun Capital Advisors will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Sun Capital Advisors personnel (or affiliated personnel) serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Certain principals, employees and other personnel of the Fund Advisor and its affiliates directly or indirectly own an interest in funds advised by Sun Capital Advisors or its affiliates, including the Funds.

Each Fund is permitted to invest together with other Private Investment Funds advised by Sun Capital Advisors or its affiliates in the manner set forth in the relevant Fund Agreements. In such event, the Fund Advisor would determine the extent to which it wishes the relevant Fund to participate in any such co-investment in a manner that it believes is fair and equitable to all clients advised by Sun Capital Advisors and/or its affiliates consistent with Fund Advisor's obligations and may take into consideration factors such as the following: amount of available

capital of the relevant Fund and other Private Investment Funds advised by Sun Capital Advisors and/or its affiliates; anticipated future capital requirements of the relevant investment opportunity; conflicts provisions in the relevant Fund's operating documents and the operating documents of other clients; investment guidelines; diversification limitations; tax and regulatory considerations; and other factors deemed relevant by Fund Advisor.

Sun Capital Advisors' affiliates may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and they may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar, subject in each case to any limitations imposed by the operative documents and investment programs of the Funds and such other accounts or persons. Personnel of Sun Capital Advisors and/or its affiliates may invest in or maintain working relationships of various kinds with other financial institutions, including managers of private funds, banks and brokers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services to, the Funds or other investment vehicles advised by Sun Capital Advisors and/or its affiliates.

From time to time, the LBO Fund General Partners may borrow funds and contribute such borrowed amounts to a given Fund as a special capital contribution for investment, to be redeemed at a later date. An LBO Fund General Partner will effect such borrowings in a manner it believes to be fair and equitable to such Fund, and consistent with such LBO Fund General Partner's obligations to the relevant Fund and the relevant Fund Agreement.

Sun Capital Advisors has adopted policies and procedures regarding giving or acceptance of gifts and business entertainment between personnel who are acting on behalf of Sun Capital Advisors and certain third parties, in order to help mitigate the potential for conflicts of interest surrounding these practices. In general, Sun Capital Advisors limits the amount of gifts and entertainment that may be given or accepted by personnel of Sun Capital Advisors and/or its affiliates, and requires the pre-approval of certain items by the Chief Compliance Officer, who will monitor for conflicts of interest in the area of gifts and entertainment over time, to seek to prevent the interests of Sun Capital Advisors from being placed ahead of the interests of the Funds' Investors.

### **BROKERAGE PRACTICES**

The Fund Advisor focuses on securities transactions of private companies and, on behalf of the relevant Fund, generally purchases and sells such companies through privately-negotiated transactions. As a result, the Fund Advisor typically does not maintain relationships with broker-dealers with respect to public securities transactions. However, a Fund may distribute securities to Investors in such Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Fund Advisor does not intend to regularly engage in public securities transactions on behalf of any Fund, to the extent it does so, it will follow the brokerage practices described below. If the Fund Advisor sells or otherwise disposes of publicly traded securities on behalf of a Fund, it is responsible for directing orders to broker-dealers, and may appoint one or more prime brokers, to effect securities transactions for accounts managed by the Fund Advisor. In such event, the Fund Advisor will seek to select brokers on the basis of

best price and execution capability. In selecting one or more brokers to execute client transactions, the Fund Advisor may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) responsiveness to requests for trade data and other financial information; (v) price; and (vi) the brokers' facilities, reliability and financial responsibility. As a result, although the Fund Advisor generally will seek competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent.

Consistent with the Fund Advisor seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Fund Advisor generally does not make use of such services at the current time and has not made use of such services since its inception.

To the extent that the Fund Advisor allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on the Funds' interest in receiving most favorable execution.

To the extent that orders for the Private Investment Funds they advise are completed independently, advisory affiliates of the Fund Advisor may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, advisory affiliates of the Fund Advisor may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund directly or indirectly advised by advisory affiliates of the Fund Advisor is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Private Investment Funds over time.

In the Fund Advisor's private company securities transactions on behalf of the Funds, the Fund Advisor may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In doing so, the Fund Advisor may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Fund Advisor generally will seek reasonable rates for such services, the market for such services

involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily pay the lowest commission or fee for such services.

### **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Fund Advisor closely monitors companies in which the Funds invest, and the Sun Capital Advisors Chief Compliance Officer periodically checks to confirm that a Fund invests and disposes of its investments in accordance with its stated objectives.

The Funds will provide, at a minimum, to their Investors (i) annual U.S. GAAP audited and quarterly unaudited financial statements, (ii) quarterly letters and schedules summarizing the performance of the relevant Fund and its investment activities, (iii) quarterly capital account statements, (iv) annual tax information necessary for each limited partner's tax return and (v) annual portfolio company profiles.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Sun Capital Advisors' affiliates provide certain consulting services to companies in the Funds' portfolio and receive compensation from these companies in connection with such services. As described in the relevant Fund Agreements, this compensation may, in many cases, offset a portion of the Management Fees paid by the applicable Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees or other compensation may be in addition to Management Fees. See "Fees and Compensation."

Sun Capital Advisors' affiliates may also enter into consulting relationships pursuant to which they would compensate third parties for certain investor relations services and other matters.

### **CUSTODY**

The Advisers are deemed under applicable federal securities laws to have custody of the Funds' assets by virtue of their role as the general partners or investment managers of the Funds, as applicable. The Advisers do not have actual physical custody of the Funds' funds or certificated securities, but maintain custody of the assets held in the Funds' names with the following independent qualified custodians:

- BNP Paribas Prime Brokerage, Inc., 787 7th Ave, 8th FL, New York, NY 10019;
- E\*Trade, 501 Plaza 2, 34 Exchange Place, Jersey City, NJ 07311;
- UBS Financial Services, 1800 N Military Trail, Ste 300, Boca Raton, FL 33431;
- US Trust, 500 Campus Dr, NJ6-520-03-01, Florham Park, NJ 07932;

- Wachovia Bank - a Wells Fargo Company, 350 East Las Olas Blvd, Ste 1800, Ft Lauderdale, FL 33301;
- Wells Fargo, c/o Boston Advantage Funds, 30 Dan Road, Canton, MA 02021-2809; and
- Wells Fargo Institutional Retirement and Trust, 608 2nd Ave South, Minneapolis, MN 55479.

Such assets maintained by independent qualified custodians are included in the annual audited financial statements delivered to Investors.

### **INVESTMENT DISCRETION**

The Fund Advisor has discretionary authority to manage investments on behalf of each Fund. As a general policy, the Fund Advisor does not allow clients to place limitations on this authority. Pursuant to the terms of the Fund Agreements, however, the Fund Advisor may enter into “side letter” arrangements with certain Investors whereby the terms applicable to such Investor’s investment in the applicable Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Fund Advisor assumes this discretionary authority pursuant to the terms of the Fund Agreements and, if applicable, the powers of attorney executed by the Investors of the relevant Fund.

Sun Capital V issues capital calls to Fund V’s Investors on varying bases for varying purposes, as further described in its Fund Agreement, and as a result, Investors may not have the same ownership percentage in each Fund V investment.

### **VOTING CLIENT SECURITIES**

The Fund Advisor has adopted the Sun Capital Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds’ portfolio investments. The majority of “proxies” received by the Fund Advisor will be written shareholder consents (or similar instruments) for private companies, although the Fund Advisor may also receive traditional proxies from public companies from time to time. The Proxy Policy seeks to ensure that the Fund Advisor votes proxies (or similar instruments) in the best interest of the applicable Fund, including where there may be material conflicts of interest in voting proxies. The Fund Advisor generally believes its interests are aligned with those of the Funds’ Investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek Investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Fund Advisor may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board (if applicable) on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the advisory board of the relevant Fund may approve the Fund Advisor’s vote in a particular situation. The Fund Advisor does not consider service on portfolio company boards by personnel of Sun Capital Advisors and/or its affiliates or any Sun Capital Advisors affiliate’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the

Proxy Policy sets forth certain specific proxy voting guidelines followed by the Fund Advisor when voting proxies on behalf of the Funds. If you would like a copy of the Fund Advisor's complete Proxy Policy or information regarding how the Fund Advisor voted proxies for particular portfolio companies, please contact Deryl Couch at (561) 394-0550, and it will be provided to you at no charge.

#### **FINANCIAL INFORMATION**

No Adviser requires prepayment of management fees more than six months in advance or has any other events requiring disclosure under this item of the Brochure.

#### **RULES OF CONSTRUCTION**

Any reference in this Brochure or in Sun Capital Advisors' Form ADV Part 1 to the "business," "services," "activities," "employees," "personnel" or "operations" (or similar phrases) of the Advisers shall be for purposes of convenience and ease of understanding only. The Advisers (other than Sun Capital Advisors) do not have an independent office or independent employees, and do not maintain an independent website. The day-to-day advisory activities with respect to the Funds are provided by Sun Capital Advisors and its advisors (including Sun Europe). References to management or investment personnel in this Brochure are to Sun Capital Advisors personnel (or personnel of Sun Europe) only. References in this Brochure to the single SEC registration of the Advisers or to multiple investment vehicles under advisement by Sun Capital Advisors and its affiliates are not intended to constitute any partnership or joint venture or similar arrangement among these entities, nor do the activities undertaken by such multiple investment vehicles and their respective advisors constitute, or are intended to constitute, a partnership, joint venture or similar arrangement among any or all of these entities.