

INVESTMENT ADVISER BROCHURE

VESTAR CAPITAL PARTNERS

**Vestar Capital Partners
245 Park Avenue
41st Floor
New York, NY 10167
<http://www.vestarcapital.com>**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Vestar Capital Partners (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (212) 351-1600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Management Company is an investment adviser registered with the SEC 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 the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This is the Management Company's "initial" filing of its Form ADV, Part 2A. In future filings, this section of the Brochure will address only those material changes that have been incorporated since the Management Company's last delivery or posting of this document on IARD.

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ADVISORY BUSINESS

Vestar Capital Partners (the “**Management Company**”), a registered investment adviser, is a New York general partnership. The Management Company and its affiliated investment advisers provide investment supervisory services to their clients, which consist of private investment-related funds. The Management Company commenced operations in 1993.

The Management Company’s clients include the following (each, a “**Fund**,” and collectively, the “**Funds**”):

- Vestar Capital Partners III, L.P.
- Vestar Capital Partners IV, L.P.
- Vestar Employees IV, LLC
- Vestar Executives IV, L.P.
- Vestar AIV Holdings A L.P.
- Vestar AIV Holdings B L.P.
- Vestar AIV Employees, Ltd.
- Vestar Capital Partners V, L.P.
- Vestar Capital Partners V-A, L.P.
- Vestar Capital Partners V-B, L.P.
- Vestar Co-Invest V, L.P.
- Vestar Executives V, L.P.
- Vestar Capital Partners VI, L.P.
- Vestar Capital Partners VI-A, L.P.
- Vestar Co-Invest VI, L.P.
- Vestar Executives VI, L.P.

Vestar Employees IV, LLC, Vestar AIV Employees, Ltd., Vestar Co-Invest V, L.P., and Vestar Co-Invest VI, L.P. are collectively hereinafter referred to as the “**Vestar Co-Invest Funds**.” Vestar Executives IV, L.P., Vestar AIV Holdings B L.P., Vestar Executives V, L.P., and Vestar Executives VI, L.P. are collectively hereinafter referred to as the “**Vestar Executive Funds**.” Vestar Capital Partners IV, L.P. and Vestar AIV Holdings A L.P. are collectively hereinafter referred to as the “**Vestar IV Funds**.” Vestar Capital Partners V, L.P., Vestar Capital

Partners V-A, L.P., and Vestar Capital Partners V-B, L.P. are collectively hereinafter referred to as the “**Vestar V Funds**.” Vestar Capital Partners VI, L.P. and Vestar Capital Partners VI-A, L.P. are collectively hereinafter referred to as the “**Vestar VI Funds**.” The Funds, together with future private investment funds to which the Management Company or its affiliates provide investment advisory services, are collectively hereinafter referred to as “**Private Investment Funds**.” In addition, Vestar also manages vehicles that were formed to allow certain investors to invest in certain portfolio company investments made by the Funds (such vehicles are collectively hereinafter referred to as the “**Vestar Co-Invest Vehicles**”). To the extent applicable, references herein to the Funds or the Private Investment Funds are deemed to include the Vestar Co-Invest Vehicles.

The following are the investment advisers affiliated with the Management Company:

- Vestar Associates III, L.P.
- Vestar Associates IV, L.P.
- Vestar AIV Associates, L.P.
- Vestar Associates V, L.P.
- Vestar Associates VI, L.P.

(each, a “**General Partner**” and, together with the Management Company and their affiliated entities, “**Vestar**”)

Each General Partner is registered under the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, all of which, together with the Management Company, operate as a single advisory business.

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds and any other Private Investment Funds that may be formed by Vestar at a later date are expected to invest through negotiated transactions in operating entities. Vestar’s investment advisory services to Private Investment Funds consist of identifying and evaluating investment opportunities, negotiating and consummating investments, managing and monitoring investments, and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. Where such investments consist of portfolio companies, the senior principals or other personnel of Vestar may serve on such portfolio companies’ respective boards of directors, may serve as officers of or consultants to such portfolio companies, and may otherwise act to influence control over management of portfolio companies held by Private Investment Funds.

Vestar’s advisory services for Private Investment Funds are detailed in the applicable private placement memorandum (each, a “**Memorandum**”) and limited partnership or similar governing agreements (each, a “**Limited Partnership Agreement**” and together with the Memorandum, the “**Governing Documents**”) and are further described below under “Methods

of Analysis, Investment Strategies and Risk of Loss.” Investors in Private Investment Funds participate in the overall investment program for the applicable fund, but Investors may be excused from a particular investment due to legal, regulatory, or other applicable constraints. The Funds or Vestar may enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, altering, or supplementing a Fund’s Limited Partnership Agreement.

As of December 31, 2011, Vestar managed \$5,912,000,000 in client assets on a discretionary basis. The principal owner of the Management Company is Daniel S. O’Connell.

FEES AND COMPENSATION

As summarized below, in general, Vestar receives a management fee and a carried interest in connection with advisory services. Investors in the Funds also bear certain fund expenses. The following is a general description of fees, compensation, and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation, or expenses that other Funds charge. The Limited Partnership Agreements of the Funds describe fees, compensation and expenses in greater detail.

Management Fees

From the applicable effective date until the end of the applicable commitment period, certain of the Funds generally will pay the Management Company an annual management fee (the “**Management Fee**”), payable partially in advance and partially in arrears, equal to 1.5% of aggregate commitments.

For the Vestar IV Funds and Vestar V Funds, upon the earlier of the expiration of the commitment period or the occurrence of certain other events as set forth in the applicable Limited Partnership Agreement, the Management Fee generally will equal 1.25% of (i) the aggregate amount of capital contributions to the Fund and waived Management Fees less (ii) the aggregate amount of distributions to partners in respect of commitments attributable to (a) realized investments plus write downs of unrealized investments at the time the Management Fee is paid and (b) fees and expenses paid and allocated to such investments specified in clause (a). For the Vestar VI Funds, upon the earlier of the expiration of the commitment period or the occurrence of certain other events as set forth in the applicable Limited Partnership Agreement, the Management Fee generally will equal 1.25% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down.

The Management Fee for all partners generally will commence as of the effective date. Installments of the Management Fee payable for any period other than a full six-month period (including the first Management Fee payment) will be adjusted on a pro rata basis according to the actual number of days of such period.

The Management Fees also generally will be reduced by a specified percentage of break-up fees received by Vestar and monitoring, transaction, and other fees paid by a Fund’s portfolio companies to Vestar. Vestar may retain the remaining amount of such fees. In addition, Vestar Capital Partners III, L.P. no longer pays Management Fees. Therefore, Vestar generally retains

all of such break-up, monitoring, and transaction fees paid by a Vestar Capital Partners III, L.P. portfolio company. The Management Fee also may be reduced by an amount determined by the General Partner. In the event of such a reduction, the General Partner will be deemed to have made capital contributions of an equivalent amount.

The Vestar Co-Invest Funds, Vestar Executive Funds and Vestar Co-Invest Vehicles generally do not pay Management Fees. All limited partners or other beneficial owners of the Vestar Co-Invest Funds are current or former employees of Vestar. In addition, as noted above, Vestar Capital Partners III, L.P. no longer pays Management Fees.

Carried Interest

Generally, each General Partner will receive a carried interest with respect to the Funds it manages equal to 20% of all realized profits, subject to satisfying an 8% preferred return (without compounding), or 10% preferred return (without compounding) in the case of Vestar Capital Partners III, L.P., as more fully described in the Governing Documents. The carried interest distributed to a General Partner is subject to a potential giveback at the end of life of a Fund if the respective General Partner has received excess cumulative distributions.

The Vestar Co-Invest Funds and Vestar Co-Invest Vehicles generally do not pay carried interest. All limited partners or other beneficial owners of the Vestar Co-Invest Funds are current or former employees of Vestar.

It is expected that any future Private Investment Funds will have a similar fee structure.

Other Information

Vestar may exempt certain investors in Private Investment Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Vestar and/or its affiliates, or through other Private Investment Funds that co-invest with the Funds.

The Funds and other Private Investment Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Limited Partnership Agreements, over the term of the Funds (or the relevant Private Investment Fund, as applicable), and investors generally are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Fund, as applicable).

Principals or other employees of Vestar may receive a portion of the Management Fee, carried interest or other compensation received by the General Partner.

In addition to any Management Fee or carried interest payable to the General Partners or the Management Company, each Fund bears certain expenses. As set forth in the Limited Partnership Agreements, each Fund generally bears all expenses to the extent not paid by portfolio companies. Although the specific list of expenses may vary to some extent in the Limited Partnership Agreements, these expenses generally include, but are not limited to, (i) all costs, expenses, liabilities and obligations attributable to acquiring, holding, and disposing of a Fund's investments (including interest on money borrowed by the Fund or Vestar on behalf of

the Fund, registration expenses and brokerage, finders', custodial, and other fees), (ii) legal, accounting, auditing, insurance (including directors and officers and errors and omissions liability insurance), consulting, financing, appraisal, filing, and other fees and expenses (including expenses associated with the preparation of Fund financial statements, tax returns, and Schedule K-1s or any other limited partner reports), (iii) certain expenses of a Fund's advisory board, (iv) costs, expenses, and liabilities of a Fund (including litigation and indemnification costs and expenses, judgments, and settlements), (v) all out-of-pocket fees and expenses incurred by a Fund or Vestar (without duplication) in connection with any conference or meeting of the limited partners, (vi) all out-of-pocket fees and expenses incurred by a Fund or Vestar (without duplication) relating to investment and disposition opportunities for the Fund not consummated (including legal, accounting, auditing, insurance, consulting, finders', filing and other fees and expenses, financing commitment fees, real estate title and appraisal costs, and printing), (vii) the Management Fee, (viii) any taxes, fees, and other governmental charges levied against the Fund, (ix) any placement fees, (x) all costs and expenses incurred in connection with the organization, management, operation, winding-up, liquidation, and dissolution of any alternative investment vehicles, and (xi) certain organizational expenses. Brokerage fees may 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," each General Partner receives a carried interest allocation on certain realized profits of certain of the Funds. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the Funds it manages. Vestar also manages the Vestar Co-Invest Funds and the Vestar Co-Invest Vehicles, which are not charged a performance-based fee. This practice could present a conflict of interest because Vestar has an incentive to favor accounts for which it receives a performance-based fee. Vestar addresses this potential conflict of interest generally by investing all active Funds in each portfolio company investment on a *pro rata* basis at substantially the same time and on substantially the same terms and disposing of such investments in a similar manner. In addition, each Vestar Co-Invest Vehicle is formed to invest in only one particular portfolio company of a Fund, and such investment is made at substantially the same time and on substantially the same terms as the investment of the applicable Fund and is disposed of in a similar manner.

TYPES OF CLIENTS

Vestar provides investment advice to Private Investment Funds, including the Funds. Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Vestar and its affiliates.

The Funds generally have a minimum investment amount of \$10 million for third-party investors. The Vestar Co-Invest Funds, Vestar Executive Funds and Vestar Co-Invest Vehicles

generally accept lower investment amounts. In most circumstances, investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Generally, investors must be (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended. Vestar may waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Vestar is a private equity investment firm that focuses on organizing and investing in management buyouts, recapitalizations, and growth equity investments. Vestar seeks the development of a diversified portfolio of private equity investments in middle-market companies with enterprise values generally ranging from \$150 million to \$1.5 billion.

The following is a summary of the investment strategies and methods of analysis generally employed by Vestar on behalf of the Funds and a summary of certain risks involved with Vestar’s investment strategy and an investment in the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis and risks are included in the applicable Memorandum and other Governing Documents for each Fund. The investment strategies and methods of analysis and risks described in this section also generally apply to the Vestar Co-Invest Vehicles.

Investment and Operating Strategy

Vestar’s principals are investment-focused rather than transaction-driven. Vestar pursues investments where the Vestar principals identify potential value levers through the application of Vestar’s industry expertise and operating and strategic capabilities.

Due Diligence and Value Lever Identification

The emphasis during the evaluation process for any investment is always on the maximization of value, the reduction of risk, and the preservation of capital. This involves not only a detailed study of each company’s financial, operational, and competitive performance and prospects, but also in-depth business, accounting, tax, legal, and industry-specific due diligence. Vestar retains accountants, attorneys, consultants, and industry experts or executives to assist in analyzing investment prospects. Vestar’s due diligence process takes place over an extended period, often in excess of six months. Decision making is an iterative process during this period, involving the entire investment team. Issues or concerns that are raised by any of the Vestar principals during investment committee meetings typically are addressed either through additional due diligence or by changing the investment terms and structure, or the transaction does not proceed.

The Vestar principals bring a creative and flexible approach to the structuring of investment transactions. Vestar focuses on investment merit and value creation and is not constrained by “cookie cutter” formulas or overly- restrictive investment guidelines. Vestar may

make equity and equity-related investments and generally attempts to structure transactions that optimize the financial and operational benefits for the business and participants involved.

Vestar believes there is significant opportunity to invest in companies in which it has developed or can develop a meaningful competitive edge through its industry focus and operating and strategic capabilities. Vestar believes its ability to identify value levers that are aligned with Vestar's unique domain expertise creates an investment edge by capitalizing on unseen or potential value that cannot be readily discerned or realized by other investors.

Examples of such value levers include:

- Revitalizing or extending strong brands or franchises
- Repositioning products or services to capture new market opportunities
- Expanding existing products or services into adjacent markets
- Identifying platform companies that can benefit from attractive follow-on acquisitions
- Discerning situations where value creation can be accelerated by prioritizing capital allocation decisions or by spinning off non-core operations
- Finding stable but under-developed companies that can be transformed through operational improvements
- Applying unique business intelligence tools to develop deeper understanding of key value drivers in support of portfolio company strategic initiatives

Industry Focus Creates Differentiated Insights

Vestar's investment team is organized into the following four industry groups: Consumer, Diversified Industries, Financial Services, and Healthcare/Digital Media. Vestar believes this industry focus results in deeper, more informed knowledge of the opportunities in each of these sectors. When meeting with management teams, Vestar's industry specialization allows it to immediately engage in meaningful dialogue with portfolio company management.

Integrated Approach

In evaluating new investment opportunities, Vestar places a strong emphasis on the quality and commitment of a company's management team. The Vestar investment approach has always emphasized careful and thorough due diligence. Operating professionals are actively involved in due diligence, particularly where the Vestar principals have identified the need for post-closing operational improvements or transition and integration activities. Once a transaction has been completed, the investment and operating professionals work together to manage risk and maximize value in all portfolio investments.

Investment decisions are made after extensive review and in-depth deliberation. All Vestar professionals are expected to present their views, and contrarian opinions are encouraged. The Vestar principals meet frequently to discuss new investment opportunities as presented and updated by the industry-focused deal teams.

The principals are highly focused on value maximizations and realizations, continuously monitoring portfolio company valuations and the health of the capital markets.

Proactive Thematic Approach

Vestar's investment and operating professionals create proactive themes that synthesize investment ideas developed through their deep industry knowledge and vast relationship networks. These themes are then reviewed and vetted by the Investment Committee, which analyzes the merits of the investment concept relative to the potential opportunity set. The investment team then proactively targets companies, often avoiding competitive auction processes. This approach also seeks to maximize Vestar's full potential by pursuing investments that are expected to benefit significantly from Vestar's intellectual capital and operational resources.

Value Maximization and Risk Management

Vestar seeks to enhance its investment returns through active involvement in all aspects of the investment process. Vestar's investment and operating professionals work together to focus on the day-to-day monitoring of portfolio investments and to provide management with support and guidance on activities such as follow-on acquisitions, divestitures, operational improvements, organizational development, systems implementations, and the structuring of compensation programs. The interaction of Vestar's operating professionals with multiple layers of portfolio company management - not just the CEO or CFO - has the added benefit of serving as an early warning system for potential issues.

Focus on Realizations

The Vestar principals' broad network of contacts enables them to monitor continuously various realization opportunities available to portfolio companies. The Vestar principals proactively pursue realizations by seeking the most attractive exit opportunities based on prevailing market conditions, a portfolio company's performance, and the potential for further value improvements.

Risks of Investment

The Funds and their investors bear the risk of loss that Vestar's investment strategy entails. The risks involved with Vestar's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. The Funds' investment portfolios will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Investment in Junior Securities. The securities in which the Funds will invest are generally 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 collateral to protect an investment once made.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. It is possible that the Funds 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, limited partners will be required to pay annual Management Fees during the commitment period based on the entire amount of their commitments.

Dynamic Investment Strategy. While Vestar generally intends to make private equity investments as described herein, Vestar may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process, and investment techniques as it determines appropriate. Vestar may pursue investments outside of the industries and sectors in Vestar's principals previously made investments.

Leveraged Investments. The Funds generally make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, and the state of those markets is very difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to a Fund that may not be covered by distributions made to the Fund or appreciation of its investments. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair the company's ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a 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 a 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, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest 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 a Fund's investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners.

Projections. Projected operating results of a company in which a 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 information received from the company and 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 effect on the reliability of projections.

Congress has Enacted Legislation that Imposes a New Withholding Tax on Certain Foreign Entities. Legislation enacted on March 18, 2010, generally imposes, beginning January 1, 2013, a new withholding tax of 30% that will apply to most payments received by a Fund attributable to investments in the United States, including dividends, interest, and gross proceeds of a disposition of stock (including a liquidating distribution from a corporation), unless a Fund complies with certain conditions or an exception applies.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

Non-U.S. Investments. A Fund may invest in portfolio companies that are organized 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 to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) fewer well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

Currency and Exchange Rate Risks. A portion of a Fund's assets may be invested in companies outside of the U.S., and income and gains received by a Fund from or with respect to

such investments may be in non-U.S. currencies. Each Fund will compute its performance results and any other calculations in U.S. dollars and distribute its income and gains in U.S. dollars. The General Partner may attempt to hedge, and the limited partners are not restricted from hedging, against foreign currency exchange rate risks by utilizing spot and forward foreign exchange contracts, foreign currency options or other instruments. However, there can be no assurance that the General Partner will be able to do so successfully or cost-effectively, and the General Partner may decide not to hedge against such risks or to do so only partially. In addition, the limited partners may not have sufficient, timely information about the nature and extent of the exchange rate risks to adequately hedge their risk. Changes in currency exchange rates may adversely affect the value of a Fund's portfolio and the unrealized appreciation or depreciation of investments as measured in U.S. dollars. A Fund may incur costs in connection with conversions between different currencies and in hedging currency risks. In addition, governments may exercise foreign currency controls that may materially and adversely affect the Funds in various circumstances. Also, because investments may be made and realized in currencies other than U.S. dollars and debt securities may be denominated in currencies other than U.S. dollars, a limited partner may recognize a foreign currency gain or loss (ordinary, not capital) when payment is received with respect to such debt securities or when such limited partner or a Fund disposes of foreign currency or such debt securities.

Public Company Holdings. A Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject a 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 a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including Vestar principals, and increased costs associated with each of the aforementioned risks.

Non-controlling Investments. A Fund may hold meaningful minority stakes in portfolio companies. In addition, during the process of exiting investments (as might occur if portfolio holdings are taken public), a Fund at times may hold minority equity stakes of varying sizes. As is the case with minority holdings in general, such minority stakes that a Fund may hold generally will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

Director Liability. A Fund will often obtain the right to appoint a representative to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Past 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, is currently restricted. This may have an adverse effect on the economy generally and on the ability of a 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 may increase the difficulty of modeling market conditions, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which the Funds make investments.

Conflicts of Interest

Vestar currently manages a number of Funds that are similar to each other, and each of the Funds has made investments that are similar to investments made by other Vestar Funds. Vestar's investment staff will continue to manage and monitor such investment funds and investments. However, until such time as Vestar is permitted to raise a successor family of Funds to a family of Funds, Vestar will pursue appropriate investment opportunities principally for the benefit of the most recent family of Funds (*e.g.*, until such time as Vestar is permitted by the Vestar VI Funds' Governing Documents to raise a Vestar VII family of funds, applicable investment opportunities will be pursued principally for the benefit of the Vestar VI Funds), subject to certain limited exceptions. In addition, Vestar believes the significant investment by Vestar in the Funds, as well as Vestar's interest in the carried interest, operate to align, to some extent, the interest of Vestar with the interest of the partners in any particular Fund. Investments that Vestar may control through certain Funds may compete with companies acquired by other Funds. At such time as Vestar is permitted to raise a successor family of Funds to a particular family of Funds, Vestar will continue to manage such Funds' investments but also likely will focus its investment activities on other opportunities and areas unrelated to such Funds' investments.

From time to time, Vestar may provide opportunities to other parties to co-invest with a Fund in a particular investment made by such Fund through a Vestar Co-Invest Vehicle. In determining which other parties should participate, and the extent of such participation, in such investment opportunities, Vestar and its affiliates may be subject to conflicts of interest. Vestar attempts to resolve such conflicts of interest in light of its obligations to investors in such investment vehicles it manages, and attempts to allocate investment opportunities among Vestar, the Funds, other Private Investment Funds, and such other parties in a fair and equitable manner and consistent with Vestar's fiduciary obligations, the Governing Documents and the Vestar investment allocation policy. Where necessary, Vestar consults and receives consent to conflicts from an advisory board consisting of limited partners of the Funds or the Private Investment Funds.

Because each General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for Vestar to cause a Fund to make riskier or more speculative investments than would otherwise be the case. However, Vestar believes that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of Vestar with that of the Funds. Because Vestar is permitted to retain certain fees from portfolio companies (as described under "Fees and Compensation") in connection with a Fund's investments, it could have a conflict of interest in connection with approving transactions. Vestar

addresses this potential conflict of interest by offsetting a significant portion of such fees against the Management Fees.

DISCIPLINARY INFORMATION

Vestar and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under “Advisory Business” above, the Management Company is affiliated with other Vestar investment advisers registered with the SEC under the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. These affiliated investment advisers, together with the Management Company, operate as a single advisory business and serve as general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Vestar has adopted the Vestar Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Vestar principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Vestar personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any client or prospective client upon request to Steven Della Rocca, the Chief Compliance Officer, at (212) 351-1600. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Vestar and its affiliated persons 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, Vestar and its affiliated persons would be 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 Vestar. Accordingly, should Vestar or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Vestar would be prohibited from communicating such information to clients, and Vestar will have no responsibility or liability for failing to disclose such information to clients as a result of

complying with, and following their policies and procedures designed to comply with, applicable law. Similar restrictions may be applicable as a result of Vestar personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Vestar and its affiliates may directly or indirectly own an interest in Private Investment Funds, primarily through the Vestar Co-Invest Funds. Vestar believes that such interests do not create a conflict of interest and instead operate to align the interests of Vestar personnel with that of the Private Investment Funds.

The Funds and other Private Investment Funds, including the Vestar Co-invest Vehicles, may invest together in the manner set forth in the Limited Partnership Agreements. Vestar will allocate investment opportunities in a fair and equitable manner and consistent with its fiduciary obligations, the Governing Documents and the Vestar investment allocation policy.

Vestar and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and 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.

BROKERAGE PRACTICES

Vestar focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer may be retained. However, Vestar may also distribute securities to investors in the Funds or sell such securities, including through a broker-dealer, if a public trading market exists. Although Vestar does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Vestar sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Vestar. In such event, Vestar will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Vestar 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) gross compensation paid to the broker; and (v) the financial strength of the broker.

Vestar has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Vestar generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Vestar seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Vestar generally does not make use of such services at the current time and has not made use of such services since its inception. If Vestar were to use such brokers, Vestar would receive a benefit from such brokers because it would not have to pay for such research. In addition, Private Investment Funds may pay higher commissions than those charged by other broker-dealers that do not provide such research. As a general matter, research provided by these brokers would be used to service all of Vestar's Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund managed by Vestar, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund.

To the extent that Vestar 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 its Private Investment Funds' interest in receiving most favorable execution.

Vestar does not anticipate engaging in significant public securities transactions; however, to the extent that Vestar engages in any such transactions, orders for purchase or sale of securities placed first will be executed first and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, Vestar may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, Vestar may, but is 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 of Vestar is favored over any other Private Investment Fund. If such orders are not batched, it may have the effect of increasing brokerage commissions or other costs.

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 Fund. 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.

REVIEW OF ACCOUNTS

The investments made by the Private Investment 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, Vestar closely monitors companies in which the Private Investment Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

Vestar will generally provide to its limited partners: (i) audited financial statements annually; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each partner's U.S. tax returns; and (iv) descriptive investment information for each portfolio company after each investment.

CLIENT REFERRALS AND OTHER COMPENSATION

As discussed in the "Fees and Compensation" section, Vestar and/or its affiliates may receive certain fees from a Fund's portfolio companies. As described in the Governing Documents, a specified percentage of any such fees received are offset against the Management Fees paid by an applicable Private Investment Fund.

From time to time, Vestar may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in an applicable Fund. Any fees and expenses payable to any such placement agents are borne by Vestar indirectly through an offset against the Management Fee.

CUSTODY

Vestar has established an account with the following qualified custodians to hold funds and securities on behalf of the Funds: JPMorgan Chase Bank N.A., New York, New York; BNY Mellon Shareholder Services, Pittsburgh, Pennsylvania; SGG S.A., Luxembourg; Equity Trust Co. (Luxembourg) S.A.; Societe Generale Group, Luxembourg; and UBS Investment Bank, London, United Kingdom.

INVESTMENT DISCRETION

Vestar has discretionary authority to manage investments on behalf of the Funds. As a general policy, Vestar does not allow limited partners to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, Vestar may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a 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. Vestar assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Funds.

VOTING CLIENT SECURITIES

Vestar has adopted the Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for a Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that Vestar votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Vestar generally believes its interests are aligned with those of a Fund's 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 Vestar may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Vestar does not consider service on portfolio company boards by Vestar personnel or Vestar'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 Vestar when voting proxies on behalf of a Fund. Clients or prospective clients should contact Steven Della Rocca, the Chief Compliance Officer, at (212) 351-1600, if they would like a copy of Vestar's complete Proxy Policy or information regarding how Vestar voted proxies for particular portfolio companies. Such information will be provided to such persons at no charge.

FINANCIAL INFORMATION

Vestar does not require or solicit prepayment of management fees more than six months in advance and is not otherwise required to make any disclosure under this item of the Brochure.