



Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Peninsula Capital Partners, L.L.C. (hereinafter "Peninsula", the "Firm" or "We"). If you have any questions about the contents of this brochure, please contact us at (313)-237-5100 or at info@peninsulafunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Peninsula also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Peninsula is 157354.

ITEM 2: MATERIAL CHANGES

Pursuant to exemptions which are no longer available, Peninsula was not required to register as an investment adviser with the Securities and Exchange Commission (SEC) prior to March 2012. This Firm Brochure, dated February 14, 2012, is our disclosure document prepared according to the SEC's requirements and rules applicable to registered investment advisers. As you will see, this document is a narrative providing detailed information regarding our firm, its practices, structure, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

After our initial filing of this Brochure, this Item 2 will be used to provide our clients and/or Partnership investors with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.



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ITEM 4: ADVISORY BUSINESS

Peninsula Capital Partners, LLC ("Peninsula") is an SEC-registered investment adviser with its principal place of business in Detroit, Michigan. Although Peninsula is a registered investment adviser, registration itself does not require and should not be interpreted to imply any particular level of skill or training.

In business since 1995, Peninsula is wholly-owned either directly or through trusts controlled by principals Scott A. Reilly, President and Chief Investment Officer, William Y. Campbell, Chairman and William F. McKinley, Executive Vice President. Many of the senior investment professionals of Peninsula have extensive backgrounds in private equity/private debt investing and hold designations such as Chartered Financial Analyst (CFA) and Certified Public Accountant (CPA).

Peninsula provides investment management services solely to committed, closed-end, mezzanine capital investment partnerships (hereinafter individually, a "Fund" or a "Partnership", and collectively, the "Peninsula Funds", the "Funds", or the "Partnerships"). Mezzanine capital is typically subordinated debt or preferred stock, and is a sub-category of the private equity alternative asset category. Unlike other types of private funds, such as hedge funds, committed private equity and private debt funds receive unfunded capital commitments from investors during one or more initial fundraising stages, after which the funds are generally closed to new investors. The fund manager will then periodically call on the investors to make capital contributions (each a "capital call" or "drawdown"), based on their respective capital commitments, to support the Partnership's investment activities and operations as stipulated in the terms of the Fund's organizational documents. As fund investments are realized, distributions are made to the investors, again according to their respective capital commitments.

Peninsula investment funds are structured as limited life investment partnerships, with a Peninsula affiliate acting as the General Partner and investors participating as Limited Partners. All Limited Partners are required to be either an "accredited investor" pursuant to the requirements of the Securities Act of 1933, as amended, and the rules promulgated thereunder, or a "qualified investor" pursuant to the Investment Company Act of 1940, as amended, and the rules promulgated thereunder.



PARTNERSHIPS MANAGED:

Peninsula currently manages three mezzanine capital investment partnerships. They include:

- The Peninsula Fund III L.P., with a final closing date of August 10, 2001 ("TPFIII");
- The Peninsula Fund IV L.P., with a final closing date of October 10, 2005 ("TPFIV"); and
- The Peninsula Fund V L.P., with a final closing date of March 15, 2010 ("TPFV").

Each of the Peninsula Funds has, as its General Partner, a limited liability company as follows:

<u>Fund</u>	<u>General Partner Entity</u>
The Peninsula Fund III L.P.	Peninsula Fund III Management, L.L.C.
The Peninsula Fund IV L.P.	Peninsula Fund IV Management, L.L.C.
The Peninsula Fund V L.P.	Peninsula Fund V Management, L.L.C.

Each of the General Partner entities engages Peninsula to manage the activities of the corresponding fund, and each are owned and controlled by the principals and investment professionals of Peninsula.

The prior mezzanine capital investment partnerships managed by Peninsula, both of which have been successfully liquidated and hold no assets, are:

- The Peninsula Fund L.P., terminated on July 1, 2008; and
- The Peninsula Fund II L.P., terminated on December 31, 2010.

PARTNERSHIP INVESTMENTS:

Investments made by the Peninsula Funds are generally, but not exclusively, in private, illiquid securities. Each of the Partnerships has been dedicated to providing subordinated debt and structured equity investments to lower-middle and middle-market operating companies in connection with a variety of transaction types, including, but not limited to:

- Leveraged buyouts;
- Management buyouts;
- Recapitalizations;
- Leveraged dividends;
- Growth financings;
- Strategic acquisitions; and
- Stock buybacks.



The companies in which the Partnerships invest represent a wide range of industries, including manufacturing, industrial services, consumer products, retail, food, business services and distribution. Peninsula seeks to identify companies that are strong performers within their industry and that have superior management.

We provide many services in conjunction with managing the activities of the Peninsula Funds. These activities include, but are not limited to:

- Identifying promising operating companies seeking mezzanine capital;
- Structuring investment transactions;
- Performing in-depth due diligence on the business, situation and principals involved with potential investments;
- Evaluating add-on investment opportunities for Partnership portfolio companies;
- Liquidating portfolio investments;
- Providing periodic audited and unaudited financial reports and tax forms related to fund performance and operations; and
- Providing fund administration services.

Through our investment documentation, we are provided numerous rights to monitor and affect a portfolio company's performance and/or actions, including periodic financial and operational reporting requirements, affirmative and negative covenants, board observation rights or voting board seats, inspection rights and consent rights to certain significant business actions.

The Partnerships' investment objectives are current income production and long-term capital appreciation. The Partnerships seek to achieve their objectives principally by making investments ("Mezzanine Investments") in historically profitable, well-managed, middle-market, operating business entities (including, without limitation, corporations, limited liability companies and partnerships) which have their headquarters, preponderance of senior management and key intangible assets located in the United States or Canada ("Companies"), and which require an augmented capital base to finance business growth, recapitalization plans, strategic acquisitions, leveraged buyouts, management buyouts, and other similar or special situations.

Mezzanine Investments include debt and equity participation securities structured to provide current income (via interest, dividends or royalties) and/or capital appreciation potential (via equity participation securities). An equity participation security may take the form of common or preferred stock or similar equity securities, or instruments exercisable or convertible into such securities, such as options or warrants.



Peninsula targets companies to invest in on behalf of the Partnerships that appear poised to generate strong and stable cash flows, have a proven business proposition, exhibit positive growth characteristics, maintain a commitment to prudent leverage levels, are led by experienced management teams and have reasonably defensible market positions. Investments typically are structured to produce current income plus a deferred return component, such as equity participation, deferred interest or a success fee. Investments most often take the form of subordinated debt, but also can be preferred or common stock, or a combination of the aforementioned. Peninsula seeks to structure each portfolio company investment in a manner that will produce the best opportunity for the Partnership and the portfolio company to achieve their respective goals.

The Partnerships are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. We manage the Partnerships on a discretionary basis in accordance with the terms and conditions of each Partnership's offering and organizational documents.

GENERAL INFORMATION:**ASSETS MANAGED:**

As of December 31, 2011, Peninsula had \$673,632,000¹ of discretionary assets under management. Peninsula does not manage any assets on a non-discretionary basis.

INVESTMENTS IN PARTNERSHIPS:

The General Partner for each Partnership is affiliated with Peninsula through common ownership and control as well as shared executive officers. The General Partner of each Partnership and the principals and certain investment professionals of Peninsula generally participate in the Partnership's investments by investing directly in the Partnership (via limited partner interests).

CO-INVESTMENTS:

Peninsula may make co-investment opportunities available to Partnership Limited Partners as appropriate and in the best interests of the Partnerships as determined by the respective Partnership's General Partner. Allocation of such opportunities creates a potential conflict-of-interest as they are, by nature, limited and participation is not possible for all or even most investors in the Partnerships. As such, Peninsula must determine which investors will be given the opportunity to co-invest and which will not. To address this conflict, Peninsula has disclosed to its investors that such co-investment opportunities are limited by their nature and no guarantee can be made that an investor

¹ Includes committed capital of TPV and remaining net invested capital (i.e., contributed capital less return of capital distributions and write-offs) and callable capital for TPFIII and TPFIV.



will be offered a co-investment. Peninsula has retained the sole right to allocate such opportunities as it deems to be in the best interest of the pending investment and the respective Partnership. Investors should note, however, that Peninsula's allocation of co-investment opportunities is driven in part by prior arrangements. For example, Peninsula will generally give priority to Limited Partners that negotiated, at the time of their original capital commitment to the corresponding Partnership, side letters requiring (subject to Peninsula's discretion and assessment as to the best interests of the Partnership and completing the proposed investment) that Peninsula provide them any co-investment opportunities that become available. In addition, co-investment opportunities may be allocated to third-party investors that are part of a consortium for the particular deal as a way for Peninsula to complete a deal. Finally, although Limited Partners are not typically a source of investment opportunities, when applicable, Peninsula will generally give priority with respect to co-investment opportunities to any Limited Partner that brought an opportunity to Peninsula's attention.

WRITE-OFFS:

As disclosed in Item 6 below, following the investment period of a Partnership, Management Fees paid to Peninsula are calculated based on funded Capital Commitments that remain invested in portfolio companies less write-offs, defined as significant and permanent declines in value. In accordance with the respective Partnership's organizational documents, for purposes of computing quarterly Management Fees due Peninsula these assets are typically valued at cost minus write-offs, as appropriate. Investments are reviewed quarterly by Peninsula's investment professionals for significant and permanent impairment. As a result of this fee calculation methodology, a conflict-of-interest is created whereby Peninsula has incentive to not reduce (i.e., make write-offs to) valuations of portfolio companies as may otherwise be dictated by available market data and prudent fair valuation techniques. To address this conflict, Peninsula has adopted a policy whereby we recognize material, permanent impairments of portfolio company values in the period in which they are deemed to have occurred. In addition, we have adopted detailed Valuation Policies and Procedures which are reviewed on a periodic basis by Peninsula's Chief Investment Officer, or successor officer or officers charged with this task, and its Director of Financial Reporting. Peninsula's Valuation Policies & Procedures are also distributed to the Partnerships' investors, as are quarterly financial statements for each Partnership which present both the net investment and estimated fair market value of each portfolio company. Any write-offs are communicated to the corresponding Partnership's investors on a quarterly basis. Our Valuation Policies & Procedures and portfolio company valuations are reviewed on at least an annual basis by an independent certified public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board (PCAOB), and a copy of the Partnership audited financial statements are sent to each of the Partnerships' investors within 120 days of each Partnership's fiscal year end.



LOCK-UPS:

Except as set forth in the applicable Partnership's organizational documents, an investor in any one of the Partnerships generally may not rescind any part of its capital commitment or otherwise withdraw from any of the Partnerships without incurring significant penalties. Private equity/private debt fund investing is appropriate only for those with sufficient resources to have capital locked up for long periods of time and who are able to bear the risk of significant losses.

Investors in each Partnership should refer to the appropriate Partnership's organizational documents for complete information regarding lock-ups and penalties or other consequences for failure to fulfill capital calls made by the Partnership.

ORGANIZATIONAL FEES & EXPENSES:

In accordance with the terms of each Partnership's offering documents, each Partnership was responsible for the Partnership's organizational expenses up to the lesser of \$750,000 or 0.5% of the aggregate capital contributions of the Partnership. Investors in any new Partnership launched by Peninsula should refer to the corresponding offering document for such Partnership information regarding the amount of organizational expenses that will be incurred by the Partnership. No Partnership will be responsible for or otherwise incur any percentage of the organizational expenses of any other of the Partnerships.

OTHER EXPENSES:

Each of the Partnerships is responsible for payment of certain expenses incurred in conducting the operating, investment and financial reporting activities of such Partnership. These expenses include, but are not limited to, financial statement preparation expenses, marketing-related expenses, legal expenses, tax preparation fees and insurance premiums. Investors in each Partnership should refer to the appropriate Partnership's organizational documents for complete information regarding the expenses paid by the Partnership.

SIDE LETTERS:

Peninsula or each Partnership's General Partner, as appropriate, has and may in the future waive or modify certain terms of investment for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, co-investment opportunities, increased Partnership and portfolio company transparency and more frequent or varied formats or modes of portfolio reporting. We have never entered into side letters in which we or any Partnership General Partner has waived or lowered a Partnership's Management Fees or Performance Fee.



IMPORTANT ADDITIONAL CONSIDERATIONS:

The information provided herein merely summarizes the detailed information provided in each Partnership's offering and organizational documents. Each Partnership is closed and is not admitting new investors. Current Partnership investors and prospective investors in any new Partnership launched by Peninsula should be aware of the substantial risks associated with investment as well as the terms applicable to such investment. This and other detailed information is provided in the appropriate Partnership offering and organizational documents.

ITEM 5: FEES & COMPENSATION

In accordance with the Partnerships' organizational documents, for our services to the Partnerships we charge periodic Management Fees. In addition, each Partnership's General Partner, which is affiliated with Peninsula through common ownership and control, may receive a Performance Fee (i.e., carried interest).

MANAGEMENT FEES:

Management fees are charged to the Partnerships in two distinct stages. Generally, while a Partnership is being deployed (i.e., we are actively seeking to identify potential investments in portfolio companies), the Management Fee is charged as a percentage of the Partnership's aggregate committed capital. Upon the launch of a successor mezzanine investment fund (e.g., TPFV in the case of TPFIV) or, in some cases, when a predefined number of years have elapsed since the Partnership's final closing, the basis for computing the Management Fee then changes to be the Partnership's net outstanding invested capital (i.e., called capital which remains invested in portfolio companies, net of write-offs).

The annual percentage of capital charged as a Management Fee for each of the Peninsula Funds is as follows:

- The Peninsula Fund III L.P. – 2.0%
- The Peninsula Fund IV L.P. – 2.0%
- The Peninsula Fund V L.P. – 2.0% of aggregate capital commitments up to \$375,000,000; 1.75% of aggregate capital commitments above \$375,000,000.

Management Fees are paid quarterly in advance and are non-refundable. Per the organization documents of the Partnerships, Management Fees are applied against the Limited Partner capital commitments.



PERFORMANCE FEES:

The General Partner of each Partnership is entitled to receive a 20% share of the Partnership's realized profits based on its performance, subject to the Partnership first achieving a minimum, cumulative preferred return of 8.0%. More specifically, profit sharing does not occur until after the Limited Partners have received cumulative cash distributions equal to their Capital Contributions plus an 8.0% annualized return (compounded monthly) thereupon. Once the preferred return has been achieved, the General Partner is entitled to receive 100% of Partnership distributions until it has garnered 20% of cumulative distributions up to that point, inclusive of such "catch-up" distributions. Thereafter, the General Partner receives 20% of all subsequent distributions from the Partnership (whether in cash or in kind). Refer to the organizational documents of the Partnerships for additional information.

FEES RELATED TO PARTNERSHIP INVESTMENT ACTIVITIES:

In conducting the operations of the Partnerships, Peninsula may receive fees from third parties related to the investment activities of the Partnerships. Such fees include, but are not limited to, the following:

- Transaction Fees – compensation for facilitating successful transactions by the Partnerships;
- Break-up Fees – contingent fees paid by prospective portfolio companies who back out of the contemplated transaction;
- Equity Monitoring Fees – paid by portfolio companies as compensation for investment monitoring services (e.g., board representation, site inspections, periodic performance reviews) provided by Peninsula;
- Amendment Fees – charged to portfolio companies in connection with a restructuring of the Partnership's investment in the company; and
- Success Fees – additional, contractual consideration paid by portfolio companies to supplement the interest paid on the Partnership's subordinated debt investment in the company.

For TPFIII and TPFIV, all fees paid by third parties related to the operation of the Partnership are paid directly to the Partnership. For TPFV, these fees are remitted to Peninsula and are offset against the Management Fees paid by the fund (discussed above).

OTHER FEES:

Peninsula reserves the right to accept payments from third parties as compensation for providing referrals on investment opportunities which Peninsula has determined are not appropriate for pursuit by any of the Peninsula Partnerships or as add-on acquisitions for any of the Partnerships' portfolio companies. Such Referral Fees create a conflict-of-interest whereby Peninsula might be incented to refer an investment opportunity to an



outside party in order to secure a Referral Fee instead of considering the investment for the Partnerships. To address this conflict, Peninsula has adopted a written policy requiring that investment opportunities are referred to third parties only after it has been determined by a Peninsula investment professional that the opportunity is not appropriate for consideration by any of the Partnerships. Additionally, the principals and certain of the investment professionals of Peninsula have personal investments in the Partnerships (via the General Partners of the Partnerships). Thus, foregoing otherwise appropriate Partnership investment opportunities in order to obtain a Referral Fee would be detrimental to the personal investments of the principals and investment professionals of Peninsula.

Investors must understand the proposed method of compensation and its risks prior to investing in any of the Partnerships. Prospective investors in any new Partnership launched by Peninsula should refer to the appropriate Partnership organizational and offering documents for information regarding the fees charged by Peninsula and/or the General Partner, as applicable.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

As disclosed in Item 5 of this Brochure, the Partnership's General Partner and/or General Partner principals and investment professionals, may receive a Performance Fee (i.e., a carried interest). Such performance-based profits interest is calculated based on a share of aggregate realized profits generated by the Partnerships (subject to the Limited Partners achieving a preferred return on invested capital as set forth in the applicable Partnership's offering documents).

Investors in the Partnerships, and prospective investors in any new Partnership launched by Peninsula, should note that a performance-based profits interest, in some contexts, can create an incentive for an adviser such as Peninsula to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, the long-term nature of private equity/private debt fund investing mitigates such risk because the Performance Fee is calculated based on realized, not unrealized, gains, giving Peninsula the incentive to focus on fundamentals when making investment decisions for the Partnerships. In addition, the General Partner and the principals and certain investment professionals of Peninsula also put their own funds at risk alongside the Limited Partner investors.

At this time, we do not offer advisory services to clients who do not pay performance-based compensation; therefore, we do not have an incentive to favor performance-based fee accounts over non-performance-based fee accounts. However, in theory, we could have incentive to favor a Partnership paying higher aggregate performance-based compensation than one paying less or a Partnership in which officers and employees of



the firm and General Partner may have more of their personal assets invested. Since we endeavor at all times to put the interest of the Partnerships first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to investors and prospective investors the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some Partnerships than others;
2. Pursuant to the terms of each Partnerships' Limited Partnership Agreement and/or Offering Memorandum, we will have substantially (though not necessarily entirely) completed the investment phase of one Partnership before the launch of a new, subsequent Partnership with similar investment goals and objectives;
3. With respect to Partnerships managed in parallel and those other limited situations where an "add-on" or other investment may be appropriate for more than one of the Partnerships, we have implemented written policies and procedures for fair and consistent allocation of investment opportunities among the Partnerships which takes into account factors such as the Partnerships' maturity or stage of investment, availability of remaining capital commitments, interests of the underlying portfolio companies and other appropriate considerations;
4. With respect to cross-fund investments, where guidelines are not provided in the Partnerships' Limited Partnership Agreement and a material conflict-of-interest or potential conflict-of-interest is identified, the General Partner notifies the applicable Partnerships' investors and in some cases will seek the consent of the applicable Partnerships' advisory committees prior to the transaction.
5. We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all Partnerships, regardless of the fee arrangement.

Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

ITEM 7: TYPES OF CLIENTS

Peninsula provides discretionary investment management and advisory services to committed, closed-end mezzanine capital investment funds as disclosed at Item 4 of this Brochure.

As outlined in each Partnership's offering documents, minimum capital commitments exist for prospective investors in the Partnerships. For TPFV, the minimum capital commitments were \$10,000,000 for institutional investors and \$2,000,000 for individual



and family trust investors. Peninsula retains the right to waive the minimum capital commitment requirements in its sole discretion. Prospective investors in any new Partnership launched by Peninsula should refer to the appropriate Partnership offering documents for information regarding that Partnership's minimum required capital commitment and any additional qualifications required for investment.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Peninsula's senior professionals' frequent interaction with owners and senior executives of middle-market operating companies, investment bankers and business brokers who assist those companies in financial transactions and other professional service providers who advise companies, help us to identify investment opportunities for the Partnerships. These efforts are augmented by periodic advertising, mass mailing and other marketing initiatives. Peninsula professionals have a wide range of experience including management, engineering, accounting, strategic consulting, investment banking, commercial lending and private equity investing. From time to time, Peninsula may also engage traditional investment banks or brokers to generate investment opportunities and/or sales of portfolio companies. Finally, due to our reputation as an investment company specializing in subordinated debt and structured equity investments in middle-market companies, entrepreneurs often proactively approach Peninsula as a resource for financing.

As adviser to the Partnerships, our firm primarily, though not exclusively, invests in securities issued by private companies. As such, accessing public data to perform traditional securities analysis is not typically possible when formulating investment recommendations. Consequently, we rely on a comprehensive due diligence process of prospective portfolio companies in determining which to invest in on behalf of the Partnerships.

Peninsula employs a disciplined investment process in evaluating potential investments and performs rigorous analysis of the historical and prospective performance of potential portfolio companies. Our due diligence investigation is comprehensive and includes, but is not limited to:

- Detailed financial and operational analyses;
- Extensive face-to-face management meetings;
- Primary industry, served market, technology and competitive research;
- Customer calls and reference checks;
- Additional company- and sector-specific analyses; and
- Third-party consultant reviews of identified areas of emphasis such as environmental compliance, accounting systems integrity, information



technology, insurance coverage, industrial psychology, industrial engineering and corporate strategy. Which, if any, of such consultants are employed on a given possible investment is determined by Peninsula.

The due diligence process is designed to verify our investment thesis by thoroughly understanding the company's strategy, market position, operations and management expertise. In addition, the due diligence process may include the identification of both acquisition candidates and potential strategic buyers. Prior to any investment, we attempt to identify all possible exit options.

In addition, Peninsula has built a network of advisors – lawyers, accountants, information technology and due diligence professionals and consultants – with private equity expertise who work in tandem with Peninsula to provide counsel and expertise on certain Partnership investments from time to time.

Peninsula professionals also provide guidance to portfolio companies based upon the collective experience of our team. Peninsula believes its depth of expertise makes us a preferred partner for a lower middle-market company. Through their prior experiences, Peninsula professionals seek to add insight and value to portfolio companies through strategic, operating and financial consultations to maximize growth and profit potential. Peninsula may introduce add-on acquisition candidates, provide opinions on the timing of asset/subsidiary divestitures and exit strategies, consult on financial structuring issues and generally seek to provide independent perspective to operating decisions. This knowledge and experience can be leveraged in numerous ways, including assisting a portfolio company in: defining strategic direction, evaluating product line expansion, identifying add-on acquisitions, assessing competitive threats and facilitating strategic introductions and alliances. Peninsula has in most cases sought and obtained seats on portfolio companies' board of directors or board observation rights in Partnership portfolio companies.

RISKS OF LONG-TERM INVESTING THROUGH PRIVATE EQUITY/PRIVATE DEBT:

One of the primary risks of a long-term investment strategy is that, if our predictions are incorrect, a security may decline sharply in value prior to its sale. This risk is particularly pronounced for long-term investing in privately-issued securities due to the absence of an immediate and liquid market for these investments. Any sale of such securities will typically take some time to complete. The company, its competitors or its industry may behave in ways which were not, and in some cases could not have been, predicted, leading to significant losses and/or a lack of any attractive exit option.

In addition, as we do not control the management of all portfolio companies, the management of these companies may act in ways which are contrary to our advice and plans for their growth or profitability.



GENERAL RISKS:

Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the detailed explanation of the many risks associated with investment as provided in the appropriate Partnership's offering memorandum.

ITEM 9: DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither Peninsula nor any of its officers, directors, employees or other management persons has any reportable disciplinary events that would require disclosure in response to this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Mr. Reilly, Mr. McKinley and Mr. Campbell, who are principals of Peninsula, have ownership interests in two other private equity fund managers: Huron Capital Partners, LLC ("Huron") and Superior Capital Partners LLC ("Superior"). Peninsula, Huron and Superior are under common control; however, the Partnerships managed by Peninsula will not compete for investment opportunities with those managed by either Huron or Superior.

Huron, founded in 1999, is a manager of closed-end, committed capital private equity funds focused on controlling equity investments in lower middle-market operating companies. For more information about Huron visit www.huroncapital.com.

Founded in 2006, Superior is a manager of a closed-end, committed capital private equity fund that seeks controlling equity investments in lower middle-market operating companies involved in special situations (e.g., underperformance, restructuring, bankruptcy, etc.). More information about Superior can be found at www.superiorfund.com.

Peninsula Capital Partners, LLC and these related entities are separate companies and do not co-invest between firms and have no other common relationship. Each firm's Partnership offering documents outline this as well. However, these firms may refer investors in the funds that they manage to one another. Peninsula is wholly-owned by its principals listed in Item 4 above. "Principal owners," for purposes of this disclosure, include those owning 25% or more of the firm.



The General Partner will be entitled to any Performance Fee, as applicable, pursuant to the terms and conditions set forth in the appropriate Partnership offering documents. Any such allocation will ultimately benefit the owners and certain of the investment professionals of Peninsula.

Additionally, as disclosed at Item 5 of this Brochure, Peninsula may charge portfolio companies, or potential portfolio companies, of the Partnerships a fee for assistance with structuring and negotiating transactions, for facilitating transactions involving acquisitions, add-ons, or other purchases by portfolio companies, or other advisory, commitment or break-up fees. In accordance with the organizational documents of the Partnerships, for TPFIII and TPFIV any such fees are paid by the portfolio companies directly to the respective Partnership. For TPFV, such fees are paid to Peninsula and the amount is offset against the Management Fees charged to the Partnership. Because such fees inure to the benefit of the Partnerships and not Peninsula, they do not represent a conflict-of-interest.

From time-to-time Peninsula may be involved in the selection of advisors used by the portfolio companies of the Partnerships, including attorneys, investment bankers, accountants and consultants, as well as senior lending institutions. In all such situations, it is Peninsula's policy that the selection of any advisor or lender to a portfolio company is made on an arm's-length basis and in a manner that is in the best interests of the portfolio company and corresponding Partnership. In addition, as previously disclosed, the principals and certain investment professionals of Peninsula hold interests in the Partnerships alongside the Limited Partners (through the respective General Partner entities). Therefore, any advisory relationship that benefits Peninsula to the detriment of a Partnership would also be detrimental to the personal investment performance of Peninsula's principals and investment professionals.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Peninsula has adopted a Code of Ethics which sets forth the high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics prohibits any direct, personal investment by any principal or investment professional of Peninsula in any Partnership portfolio company. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in an initial public offering involving a Partnership portfolio company. Our Code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Partnerships, upon written request to the Chief Compliance Officer, at the firm's principal office address.



As disclosed in Item 5 of this brochure, certain executive officers and other employees of Peninsula have invested and/or may invest a portion of their personal net worth in one or more of the Partnerships.

It is the expressed policy of our firm that no person employed by us may usurp an investment opportunity which may be appropriate for one or more of the Partnerships without first presenting the opportunity to our investment team, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict-of-interest, we have established the following restrictions in order to ensure Peninsula fulfills its fiduciary responsibilities:

1. No officer or employee of our firm may prefer his or her own interest to that of a Partnership.
2. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund. Such levels of participation in any one of the Partnerships by our owners, principals or employees is limited by the terms of each Partnership's partnership agreements and/or offering documents, though side-by-side investments are typically allowed.



ITEM 12: BROKERAGE PRACTICES

Peninsula is responsible for all parts of the investment process, including deal sourcing and origination, investment decision-making, deal negotiation and transaction structuring, portfolio management (the act and process of overseeing the investments made on behalf of the Partnerships) and exit strategies. Peninsula will typically make direct investments on behalf of the Partnerships in privately-held, middle-market companies. Rarely will the Partnerships acquire publicly-traded securities, except in connection with the sale of a privately-held portfolio company to a company that is publicly-traded.

Each direct investment is carefully structured through negotiations by Peninsula as well as various professionals engaged by us to facilitate a particular deal, as appropriate. These professionals may include attorneys, accountants, consultants, information technology and due diligence professionals and others. All such professional relationships are managed at arm's-length, and all such advisors are engaged with the intent to represent the best interests of the Partnerships.

Any particular transaction may or may not involve the participation of an investment bank or broker-dealer. If an investment bank or broker-dealer is involved in a Partnership transaction, it is typically because the selling company or company seeking capital engaged such firm to assist it in negotiating and structuring the terms of a particular deal on its behalf, including organization of an auction or otherwise. In this way, the selling company hopes to obtain the best possible terms for the transaction. As a result, the primary factor for Peninsula in determining whether to enter into a transaction on behalf of a Partnership with an investment bank or broker-dealer is based on our decision to seek investment in a company that has engaged such investment bank or broker-dealer. In those instances where Peninsula is responsible for selecting an investment banker to represent a Partnership portfolio company in a sale process, our decision is made according to the best interests of the Partnership and the portfolio company.

Of course, each Partnership's ultimate goal when investing is to generate an attractive return through current income and/or to liquidate its investments in portfolio companies for values in excess of the prices paid. In regards to the Partnerships' investments in equity securities, exit scenarios have historically included the sale of a portfolio company to a strategic acquirer through a merger or acquisition (M&A), the repurchase of the Partnership's equity investment by the portfolio company, an initial public offering (IPO) or a secondary sale to another private equity firm.

As disclosed in Item 5 of this Brochure, Peninsula may make co-investment opportunities available to Partnership Limited Partners as appropriate and in the best interest of the Partnerships. Allocation of such opportunities creates a potential



conflict-of-interest as they are, by nature, limited and participation is not possible for all or even most investors in the Partnerships. As such, Peninsula must determine which investors will be given the opportunity to co-invest and which will not. To address this conflict, Peninsula has disclosed to its investors that such co-investment opportunities are limited by their nature and no guarantee can be made that an investor will be offered a co-investment. Peninsula has retained the sole right to allocate such opportunities as it deems to be in the best interest of the pending investment and the respective Partnership. Investors should note, however, that Peninsula's allocation of co-investment opportunities is driven in part by prior arrangements. For example, Peninsula will generally give priority to Limited Partners that negotiated, at the time of their original capital commitment to the corresponding Partnership, side letters requiring (subject to Peninsula's discretion and assessment as to the best interests of the Partnership and completing the proposed investment) that Peninsula provide them any co-investment opportunities that become available. In addition, co-investment opportunities may be allocated to third-party investors that are part of a consortium for the particular deal as a way for Peninsula to complete a deal. Finally, although Limited Partners are not typically a source of investment opportunities, when applicable, Peninsula will generally give priority with respect to co-investment opportunities to any Limited Partner that brought an opportunity to Peninsula's attention.

Peninsula does not have any formal or informal soft-dollar arrangements nor do we receive any soft-dollar benefits from any broker, dealer or other counterparty.

ITEM 13: REVIEW OF ACCOUNTS

Peninsula's Investment Committee, which consists of Scott A. Reilly, President and Chief Investment Officer, William Y. Campbell, Chairman and William F. McKinley, Executive Vice President, approve all portfolio investments.

Peninsula monitors the portfolio companies of each Partnership on an ongoing basis. As part of the terms of the investment, Peninsula has also arranged for the Partnerships to have one or more representatives observing or serving on the Board of Directors of most portfolio companies.

Peninsula performs regular monitoring of investment performance via review and analysis of monthly covenant compliance reports and financial statements from portfolio companies, and via periodic interviews of company management, as well as other company-specific reports/data deemed relevant by Peninsula to adequately assess a company's overall performance.



Peninsula's investment professionals, including the Chief Investment Officer, meet regularly (generally weekly) to review and monitor ongoing portfolio activities and to evaluate potential new platform investments and add-on acquisitions for the Partnerships. The investment professionals, including the Chief Investment Officer and Director of Financial Reporting, meet quarterly to review and approve the carrying values of Partnership portfolio companies.

Certain of the above Peninsula meetings may include other investment professionals who review investment materials, due diligence materials and provide valuable industry insight.

The Partnerships are audited annually by an independent, certified public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board (PCAOB). A copy of the audited financial statements is sent to each of the Limited Partners of the corresponding Partnership on a timely basis. Additionally, Limited Partners are provided unaudited quarterly financial statements for the Partnerships, as well as quarterly capital account statements and Partnership portfolio company performance summaries. Peninsula also holds an annual meeting for the Limited Partners of the Partnerships.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

Peninsula does not engage solicitors or pay related or non-related persons for referring potential clients (i.e., Partnership limited partners) to our firm. On occasion, Peninsula may be referred prospective investors by Huron Capital Partners, LLC or Superior Capital Partners LLC when it is clear that the investor may benefit. Peninsula reserves the right to enter into such arrangements in the future. Such referrals do not create a conflict-of-interest as no referral fees are paid to the referring party.

ITEM 15: CUSTODY

Because we act as investment adviser to the Partnerships and are affiliated with each Partnership General Partner through common ownership and control, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Partnerships audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We seek to send, directly or through a third party, the audited financials to each Partnership investor within 120 days of the applicable Partnership's fiscal year end.



ITEM 16: INVESTMENT DISCRETION

As investment adviser to the Partnerships, Peninsula is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities and the amounts of securities that are to be bought or sold on behalf of the Partnerships.

ITEM 17: VOTING CLIENT SECURITIES

Because the Partnerships transact primarily in privately-issued securities, Peninsula rarely is required to vote proxies. Under certain limited circumstances, however, Peninsula may be required to vote proxies solicited by portfolio companies. Under these circumstances, Peninsula will vote proxies in the best interest of the Partnerships, typically with the goal of maximizing value for the Partnerships and the investors in the Partnerships. To that end, Peninsula endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Partnerships' investments to increase the most or decline the least in value. Consideration is given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. Peninsula's complete proxy voting policy and procedures have been memorialized and are available for investors to review.

It is important to note that Peninsula will sometimes name one or more affiliated persons to serve on the Board of Directors of portfolio companies, and certain portfolio companies may pay monitoring or other fees related to the services provided by Peninsula. However, as noted in Item 6 above, any such fees are paid directly to the corresponding Partnership (in the case of TPFIII and TPFIV) or are applied against the Management Fees due Peninsula (in the case of TPFV). Because the benefits of such fees inure to the Partnerships, these fees do not represent a conflict-of-interest.

ITEM 18: FINANCIAL INFORMATION

Under no circumstances will Peninsula earn fees in excess of \$1,200 more than six months in advance of services rendered; therefore, we are not required to include a financial statement with this brochure.

No financial conditions exist that are reasonably expected to impair Peninsula's ability to meet its contractual commitments to the Partnerships. In addition, Peninsula has not been the subject of a bankruptcy petition at any time during the past ten years.

