

**INVESTMENT ADVISER BROCHURE**

**TWIN BRIDGE CAPITAL PARTNERS, LLC**

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**February 14, 2012**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Twin Bridge Capital Partners, LLC (“Twin Bridge”). If you have any questions about the contents of this Brochure, please contact us at (312) 284-5600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

Twin Bridge 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 Twin Bridge is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ADVISORY BUSINESS

Twin Bridge, the registered investment adviser, is a Delaware limited liability company. Twin Bridge provides discretionary investment advisory services to its clients, which consist of private equity “funds of funds,” namely private investment-related funds and managed accounts. Twin Bridge commenced operations in October, 2005.

Twin Bridge’s clients include the following (each, a “**Fund**,” and together, the “**Funds**”):

- Pacific Street Fund, L.P.; and
- Pacific Street Fund II, L.P.

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds invest in underlying private equity funds (“**Portfolio Funds**”) and, through co-investments, negotiated transactions in certain operating entities in which such Portfolio Funds invest. Twin Bridge’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving, where permitted by the governing documents of such Portfolio Funds, dispositions for such investments. Direct and indirect investments are made predominantly in non-public companies, although investments in public companies are permitted. From time to time, where such investments consist of direct investments in portfolio companies, the senior principals or other personnel of Twin Bridge may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds or by such Portfolio Funds.

The following general partners of the Funds (the “**General Partners**”) are investment advisers affiliated with Twin Bridge: Pacific Street GP, LLC; and Pacific Street GP II, LLC. Each General Partner is registered under the Advisers Act pursuant to Twin Bridge’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with Twin Bridge.

Twin Bridge’s advisory services for the Funds are detailed in the applicable limited partnership agreement (each, a “**Limited Partnership Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds or Twin Bridge may enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund’s Limited Partnership Agreement.

As of December 31, 2011, Twin Bridge managed \$968.5 million in client assets on a discretionary basis. Twin Bridge is controlled and principally owned by Debbie Ackerman, Brian Gallagher and Thrivent Financial for Lutherans (“**Thrivent**”).

## **FEES AND COMPENSATION**

In general, Twin Bridge receives a management fee (the “**Management Fee**”) and the relevant General Partners receive a carried interest in connection with advisory services. Investors in the Funds also bear certain fund expenses.

### **Management Fees**

Until the expiration of each Fund’s Commitment Period, the Management Fee generally will be (i) a certain percentage *per annum* of the relevant investors’ aggregate commitments to each Fund, and (ii) following the completion of such Commitment Period, a certain percentage *per annum* of the Fund’s aggregate cost basis of all of the Fund’s existing investments. The General Partner may waive or reduce the Management Fee for certain investors. The Management Fee each fiscal year (as agreed) shall be paid by the Funds quarterly in arrears.

The Management Fee will be reduced by the relevant Fund’s share of directors’ and similar fees paid by portfolio companies to partners or employees of Twin Bridge, although in certain cases Twin Bridge or one of its affiliates may be permitted to retain certain of such fees without reduction of the Management Fee, as permitted by the relevant Limited Partnership Agreement.

### **Carried Interest**

The General Partners generally will receive with respect to each Fund a carried interest that has been individually negotiated with investors. The General Partner may waive or reduce carried interest for certain investors.

### **Other Information**

Twin Bridge may exempt certain investors in the 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 Twin Bridge, or through other Funds which co-invest with the relevant investor’s Fund.

The Funds generally invest on a long-term basis into Portfolio Funds and portfolio companies with long-term investment horizons. 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 and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other employees of Twin Bridge may receive a portion of the Management Fee, carried interest or other compensation received by Twin Bridge.

In addition to the Management Fee and carried interest payable to Twin Bridge, each Fund bears certain expenses. As set forth in the Limited Partnership Agreements, each Fund will pay all other costs and expenses of such Fund that are not reimbursed by portfolio companies, including without limitation: (i) all costs and expenses attributable to acquiring, holding and disposing of a Fund’s (including, without limitation, interest on money borrowed by the Fund, or

the relevant General Partner on behalf of the Fund, registration expenses and brokerage, finders', custodial and other fees); (ii) legal, accounting auditing, consulting and other fees and expenses (including, without limitation, expenses associated with the preparation of a Fund's financial statements, tax returns and forms K-1); (iii) costs, expenses and liabilities of a Fund (including, without limitation, litigation and indemnification costs and expenses, judgments and settlements); (iv) all out-of-pocket fees and expenses incurred by a Fund, the relevant General Partner or the relevant General Partner's members, managers, partners, officers and employees relating to investment and disposition opportunities for a Fund not consummated (including, without limitation, legal, accounting, auditing, consulting and other fees and expenses, financing commitment fees, real estate title and appraisal costs and printing); (v) any taxes, fees and other governmental charges levied against a Fund; (vi) costs and expenses associated with meetings of the Fund's investors; (vii) costs and expenses of or associated with the advisory committee (if any); (viii) costs and expenses associated with any escrow arrangements or the pursuit of remedies by a Fund pursuant to relevant Limited Partnership Agreement relating to any obligations of the relevant General Partner and its members; and (ix) expenses paid to third parties in connection with the organization of a Fund, the relevant General Partner and any relevant management company. Brokerage fees may also be incurred in accordance with the practices set forth in "Brokerage Practices."

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

As described under "Fees and Compensation," the relevant General Partner receives a carried interest allocation on certain realized profits in a Fund. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the Funds it manages. Twin Bridge does not manage any Funds that are not charged a performance-based fee.

#### **TYPES OF CLIENTS**

Twin Bridge provides investment advice to the Funds, which may include investment partnerships or other investment entities formed under U.S. domestic or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Company Act**"). The investors participating in the 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 Twin Bridge.

The Funds generally do not have a minimum investment amount for third-party investors; rather, investment amounts are negotiated on an investor-by-investor basis. 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 Company Act. Twin Bridge may waive such qualification requirements in certain circumstances.

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

### General

Twin Bridge invests primarily in Portfolio Funds that are middle-market private equity buyout funds and, through equity co-investments, certain portfolio companies in which such Portfolio Funds invest.

### Investment and Operating Strategy

Twin Bridge focuses its investments on a North American-centric portfolio of middle market companies across multiple industries. The Funds' portfolios may consist of limited partnership or limited liability company interests in Portfolio Funds and, through co-investments, securities of operating companies.

*Portfolio Fund Investments.* Twin Bridge's investment selection process for fund investments begins by identifying fund targets in an attempt to create a diversified portfolio. Twin Bridge monitors several hundred Portfolio Funds and actively tracks a subset of such Portfolio Funds that it believes have the potential for positive performance. Twin Bridge seeks to identify the Portfolio Funds that fit best within the Funds' strategy. In evaluating Portfolio Funds for possible investments, Twin Bridge interacts with various financial industry experts and conducts due diligence.

*Co-Investments.* Twin Bridge actively seeks co-investment opportunities that fit well within the Funds' portfolios. In determining whether to invest alongside a Portfolio Fund in an operating company, Twin Bridge evaluates five areas: the sponsor of the investment; the particular company; the industry; the company's management; and the company's financials. As with investments in Portfolio Funds, Twin Bridge interacts with various financial industry experts and conducts due diligence to identify operating companies in which to co-invest.

### Risks of Investment

The Funds and their investors bear the risk of loss that Twin Bridge's investment strategy entails. The risks involved with Twin Bridge's investment strategy and an investment in the Funds include, but are not limited to, the following. Risks presented as applicable to a Fund may be equally applicable to, and where context allows should be construed to include, a Portfolio Fund, and vice versa.

*Business Risks.* A Fund's investment portfolio will consist primarily of securities issued by Portfolio Funds and 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.

*Future and Past Performance.* The performance of the Funds' prior investments is not necessarily indicative of the Funds' future results. While Twin Bridge intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which the Funds will invest through Portfolio Funds and co-investments may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

*Investment in Private Equity Fund Interests.* A Fund's investments in private equity funds such as the Portfolio Funds are subject to the same risks as those of any other limited partner in such Portfolio Funds, including lack of liquidity and dependence on the management of such Portfolio Funds. Although Twin Bridge conducts extensive due diligence to identify and invest in Portfolio Funds that are ideally suited for the Funds' investment strategies, Twin Bridge will not have control over the composition of the investments of such Portfolio Funds.

*Substantial Fees and Expenses.* A Fund's fees and expenses include not only Twin Bridge's fees, but also the compensation and fees paid to the managers of the Portfolio Funds, as well as the *pro rata* share of the costs and expenses of the Portfolio Funds. Due to this double layer of fees and expenses, a Fund's expenses will likely constitute a higher percentage of net assets than expenses of other investment entities which do not use a multi-layer approach.

*Possibility of Fraud and Other Misconduct.* When a Fund invests in a Portfolio Fund, neither Twin Bridge nor such Fund has custody of the Portfolio Fund's assets. Therefore, there is the risk that the Portfolio Fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations or engage in other misconduct. Moreover, there can be no assurances that the Portfolio Funds will be operated in accordance with all applicable laws and that assets entrusted to Portfolio Funds will be protected.

In the past there have been reported instances of violations of the securities laws through the misuse of confidential information, misappropriation of assets or other activities. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized and for penalties. If a Portfolio Fund commits any such violation, a Fund could be exposed to significant losses or reputational harm.

*Limits on Information.* Twin Bridge selects Portfolio Funds based upon the factors described under the "Investment and Operating Strategy" section above. Twin Bridge will request detailed information from each Portfolio Fund regarding the Portfolio Fund manager's historical performance and investment strategy. However, Twin Bridge may not always be provided with detailed information regarding all the investments made by such Portfolio Fund's manager because certain of this information may be considered proprietary by such manager.

*Portfolio Fund Valuations.* In most cases, Twin Bridge will have no ability to assess the accuracy of the valuations received from a Portfolio Fund. Furthermore, the net asset values

received by Twin Bridge from such Portfolio Fund on a periodic basis may be unaudited until the end of the Portfolio Fund's annual audit.

*Concentration of Investments.* The Portfolio 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, a Portfolio Fund's investments could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Portfolio Fund may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Portfolio Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners in such a Portfolio Fund generally will be required to pay annual management fees during the investment period based on the entire amount of their commitments.

*Illiquidity; Lack of Current Distributions.* An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including, without limitation, unfunded Commitments.

*Leveraged Investments.* The Portfolio Funds may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both a Portfolio Fund's opportunities for gain and its risk of loss from a particular investment. At times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs.

*Limited Transferability of Funds Interests.* There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of a Fund's interests under the relevant Partnership Agreement and applicable securities laws. In general, withdrawals are not permitted, and Funds' interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund or Portfolio Fund investments, and hence, most of a Fund's or Portfolio Fund's investments, as applicable, will be difficult to value. Certain investments may be distributed in kind to the partners.



*Reliance on Management.* Each Fund is dependent on its General Partner. Control over the operation of a Fund will be vested with Twin Bridge, and the Fund's future profitability will depend largely upon the business and investment acumen of the Twin Bridge principals. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Funds will depend on the actions of Twin Bridge. In addition, certain changes in Twin Bridge or circumstances relating to Twin Bridge may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities. Similar concerns apply to the Fund's investment in each Portfolio Fund.

*Conflicting Investor Interests.* Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds and the Portfolio Funds in which they invest, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partners regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partners generally will consider the investment and tax objectives of the Partnership and its Partners as a whole, not the investment, tax, or other objectives of any investor individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Partnership's activities, including the ability of the Partnership to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

*Non-U.S. Investments.* The Funds, and the Portfolio Funds in which they invest, may invest in portfolio companies that are organized, headquartered 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 the Fund or any Portfolio 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 or any Portfolio Fund and/or the partners with respect to such Fund's or any Portfolio Fund's income, and possible non-U.S. tax return filing requirements for the Fund, any Portfolio Fund and/or the partners. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less 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.

*Market Conditions.* Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's or

Portfolio Fund's performance can be affected by deterioration in public markets and by market events.

### **Conflicts of Interest**

The General Partners and the Principals are affiliates of Twin Bridge Capital Partners, an investment advisory firm dedicated to fund-of-funds investments and co-investment transactions for institutional clients, and the principals of Twin Bridge Capital Partners have ownership interests in the General Partner that entitles them to a portion of the carried interest distributions received by the General Partner. As an investment advisory firm, Twin Bridge Capital Partners provides a range of business services to its clients, some of which may result in conflicts of interest between the Partnership, on one hand, and Twin Bridge Capital Partners and certain of its clients, on the other hand. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Partnership and its ability to achieve its investment objectives.

Twin Bridge attempts to resolve such conflicts of interest in light of its obligations to investors in such investment vehicles managed by them, and attempts to allocate investment opportunities among the Funds in a fair and equitable manner. Twin Bridge generally will attempt to allocate investment opportunities among the Funds on a *pro rata* basis, unless required to do otherwise by the applicable Limited Partnership Agreements. Where necessary, Twin Bridge consults and receives consent to conflicts from an advisory board consisting of limited partners of the Funds or such other investment vehicles.

From time to time, Twin Bridge will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Twin Bridge. In determining which investment vehicles should participate in such investment opportunities, Twin Bridge may be subject to conflicts of interest among the investors in such investment vehicles. Twin Bridge believes the significant investment by Twin Bridge in the Funds, as well as Twin Bridge's interest in the carried interest, operate to align, to some extent, the interest of Twin Bridge with the interest of the partners, although Twin Bridge has economic interests in such other investment funds and investments as well and receives management fees and carried interest relating to such interests. Because Twin Bridge's carried interest is based on a percentage of net realized profits, it may create an incentive for the Twin Bridge to cause a Fund to make riskier or more speculative investments than would otherwise be the case.

### **DISCIPLINARY INFORMATION**

Neither Twin Bridge nor its management persons have been subject to any material legal or disciplinary events required to be discussed in this Brochure. Additional information regarding Twin Bridge and its affiliates is available in Twin Bridge's Form ADV Part 1.

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

Twin Bridge is affiliated with the General Partners, other investment advisers registered with the SEC under the Advisers Act pursuant to Twin Bridge's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Twin Bridge and serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Twin Bridge is partially owned by Thrivent, a financial services organization organized as a fraternal benefit society. Thrivent's controlled and affiliated entities include broker dealers, investment advisers, banking institutions and insurance agencies. As neither Twin Bridge nor the Funds receive services from such Thrivent entities, Twin Bridge believes that such ownership does not create a material conflict of interest.

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

Twin Bridge has adopted the Twin Bridge Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Twin Bridge principals and employees and addresses conflicts that arise from personal trading. The Code requires Twin Bridge 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 designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to MaryJane Pempek, the Chief Compliance Officer, at (312) 284-5600. 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.

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

Principals and employees of Twin Bridge may, directly or indirectly, own an interest in the Funds or certain co-investment vehicles. Any co-investment vehicles may invest in one or more of the same portfolio companies as the Funds.

The Funds may invest together with other private investment funds advised by Twin Bridge, or an affiliated adviser of Twin Bridge, in the manner set forth in the Limited Partnership Agreements. Twin Bridge will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and the Twin Bridge investment allocation policy.

Twin Bridge 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. The operative documents and investment programs of certain vehicles sponsored by Twin Bridge (the “**Reference Funds**”) may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives or advisory boards) in such Reference Funds. However, Twin Bridge may or may not, in its sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

#### **BROKERAGE PRACTICES**

Twin Bridge 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, Twin Bridge may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Twin Bridge does not intend to regularly engage in public securities transactions, to the extent it does so, it will follow the brokerage practices described below.

If Twin Bridge sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Twin Bridge. In such event, Twin Bridge will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Twin Bridge may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; and (iii) the reputation of Twin Bridge being considered.

Twin Bridge 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 Twin Bridge 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.

### **REVIEW OF ACCOUNTS**

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

Twin Bridge will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, and (iii) annual tax information necessary for each partner's U.S. tax returns.

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

Twin Bridge and/or its affiliates may provide certain business or consulting services to companies in the relevant Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the relevant Partnership Agreement, this compensation generally offsets a portion of the Management Fees paid by such Fund. See "Fees and Compensation."

From time to time, Twin Bridge 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 a Fund. Any fees and expenses payable to any such placement agents may be borne by Twin Bridge directly or indirectly through an offset against the Management Fee.

### **CUSTODY**

Twin Bridge has established an account with the following qualified custodians to hold funds and securities on behalf of the Funds: Merrill Lynch, 600 California Street, 8th Floor, San Francisco, CA, 94108; JP Morgan, Chase Tower, 21 South Clark Street, 8th Floor, Chicago, IL, 60603; and Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, 7th Floor, New York, NY, 10010.

### **INVESTMENT DISCRETION**

Twin Bridge has discretionary authority to manage investments on behalf of the Funds. As a general policy, Twin Bridge does not allow limited partners to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, Twin Bridge 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. Twin Bridge assumes this discretionary authority pursuant to the terms of the Limited Partnership Agreements and powers of attorney executed by the limited partners of the Funds.

## **VOTING CLIENT SECURITIES**

Twin Bridge has adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments, including the Portfolio Funds. The Proxy Policy seeks to ensure that Twin Bridge votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Twin Bridge 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 Twin Bridge 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. Twin Bridge does not consider service on portfolio company boards by Twin Bridge personnel or Twin Bridge’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 Twin Bridge when voting proxies on behalf of a Fund. If you would like a copy of Twin Bridge’s complete Proxy Policy or information regarding how Twin Bridge voted proxies for particular portfolio companies, please contact MaryJane Pempek, the Chief Compliance Officer, at (312) 284-5600, and it will be provided to you at no charge.

## **FINANCIAL INFORMATION**

Twin Bridge does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

## **SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF TWIN BRIDGE**

### **Debbie Ackerman**

#### *Educational Background and Business Experience*

Debbie Ackerman, born December 26, 1967, co-founded Twin Bridge and shares responsibility for all aspects of the firm's investment and fundraising activities. Ms. Ackerman serves on the Management Board and the Investment Committee of Twin Bridge. Prior to founding Twin Bridge, Ms. Ackerman was Senior Partner of PPM America Capital Partners, where she was most recently responsible for managing the private equity fund of funds business. She also worked on various private equity and other investment activities, including underwriting equity co-investments. Earlier in her career, Ms. Ackerman worked at Heller Financial in various private equity and lending positions. Ms. Ackerman currently serves on the board of Specialized Education Services and holds advisory board seats for Goldner, Hawn, Johnson & Morrison V, Swander Pace Capital Partners IV, Calera Capital Partners IV, and Girls on the Run in Chicago, along with board observer seats for Virgo Publishing and Eagle Ridge Energy. She earned her MBA at Northwestern University's Kellogg Graduate School of Management and her BA in Finance from the University of Illinois.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Ms. Ackerman.

#### *Other Business Activities*

Ms. Ackerman is not engaged in any investment-related business outside of her roles with Twin Bridge.

#### *Additional Compensation*

Ms. Ackerman does not receive any additional compensation that is required to be disclosed.

#### *Supervision*

As a partner of Twin Bridge, Ms. Ackerman is part of a team that is responsible for leading the investment activities of Twin Bridge, but is not subject to the business supervision of any single individual. The Chief Compliance Officer supervises the activities of Ms. Ackerman with respect to Twin Bridge's Investment Adviser Compliance Program.

### **Brian Gallagher**

#### *Educational Background and Business Experience*

Brian Gallagher, born December 20, 1967, co-founded Twin Bridge and shares responsibility for all aspects of the firm's investment and fundraising activities. Mr. Gallagher serves on the Management Board and the Investment Committee of Twin Bridge. Before co-founding Twin Bridge, Mr. Gallagher was a Principal with UIB Capital, where he was

responsible for leading private equity investments in the United States. Mr. Gallagher was also a Partner at PPM America Capital Partners, where he led investments in private equity funds and co-investments. Mr. Gallagher began his career at Arthur Andersen. Mr. Gallagher is a board member of Renew Life, the Grosvenor Registered Multi-Strategy Master Fund and HFS Chicago Scholars and holds advisory board seats for Davis Petroleum Investments, LLC and Footprint Holdings, LLC. Mr. Gallagher earned his MBA at Northwestern University and a BA in Accounting from the University of Notre Dame. He holds the Chartered Financial Analyst designation and is a Certified Public Accountant. Mr. Gallagher is a member of the CFA Institute, the AICPA and the Association for Corporate Growth.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Gallagher.

#### *Other Business Activities*

Mr. Gallagher is not engaged in any investment-related business outside of his roles with Twin Bridge.

#### *Additional Compensation*

Mr. Gallagher does not receive any additional compensation that is required to be disclosed.

#### *Supervision*

As a partner of Twin Bridge, Mr. Gallagher is part of a team that is responsible for leading the investment activities of Twin Bridge, but is not subject to the business supervision of any single individual. The Chief Compliance Officer supervises the activities of Mr. Gallagher with respect to Twin Bridge's Investment Adviser Compliance Program.