

**Form ADV Part 2A**

**TW-IM, LLC**  
8343 Douglas Avenue  
Dallas, TX 75225  
214-269-1183

March 11, 2013

**This brochure provides information about the qualifications and business practices of TW-IM, LLC. If you have any questions about the contents of this brochure, please contact us at 214-269-1183. 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 TW-IM, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**We refer to ourselves as a “registered investment adviser”. Registration does not imply a certain level of skill or training.**

**Item 2. Material Changes**

This is our initial brochure. As of the date of this brochure we have not commenced business operations.

**Item 3. Table of Contents**

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

#### **Item 4. Advisory Business**

TW-IM, LLC (“us,” “we,” and “our”), was formed as a Texas limited liability company in 2013 by our principal owners and Managing Partners, Jason Downie and Edward Herring (collectively, our “Managing Partners”). Our Managing Partners formerly served as [partners] of HM Capital Partners I LP, a registered investment adviser that provides private equity investment advice to private equity funds including Sector Performance Fund, L.P. (“SPF”).

One or more limited partnerships which would be managed by us have proposed to purchase SPF’s entire interest in two portfolio companies of SPF. Upon the successful closing of the proposed transaction, the limited partnership(s) will be our “Client”. Messrs. Downie and Herring will be the principals of the general partner of our Client. We will have discretionary authority to oversee, monitor and dispose of the investments by our Client in these portfolio companies and we will have discretionary authority on behalf of our Client to make follow on investments in these portfolio companies. The investors that may be admitted in one of more of the limited partnerships constituting our Client are referred to in this brochure as “investors”.

We will provide advice to our Client taking into account its specific investment objectives and the investment restrictions contained in its limited partnership agreement and other governing documents.

#### ***Wrap Fee Programs***

We do not participate in wrap fee programs.

#### ***Assets Under Management***

As of the date of this brochure, we do not have assets under management.

#### **Item 5. Fees and Compensation**

##### ***Management Fees***

We anticipate that our Client will pay us an annual management fee (payable quarterly in advance) (the “Management Fee”) for our investment management services. The amount of Management Fees payable on each quarterly payment date by our Client will most likely be based on the aggregate commitments of its limited partners. The specific amount and terms of the management fee are being negotiated with our Client. We anticipate that the Management Fee payable for each quarterly period will be reduced after the occurrence of certain key events, such as (i) the first anniversary of the Client’s initial closing, (ii) the date on which we (or any or any of our affiliates) commence operations of any blind-pool investment vehicle, managed account or private investment with capital commitments of at least \$100 million and (iii) the six-month anniversary of a key person event. Installments of Management Fee payable for any period other than a full three-month period shall be adjusted on a pro rata basis according to

the actual number of days in such period. As further described below, such Management Fees shall be reduced (but not below zero) to the extent additional fees are collected by us from the portfolio companies owned by the Client. The Management Fees will generally be paid in advance in quarterly installments, on each of January 1, April 1, July 1 and October 1, for the respective quarterly periods beginning on such dates. The calculation of the management fees is more fully described in the Client's limited partnership agreement.

We may receive monitoring, directors', consulting and other similar fees and financing or other transaction fees in connection with the activities of our Client ("Other Fees"). In addition, we may be reimbursed by a portfolio company for expenses we incur in connection with our performance of the services that give rise to Other Fees. The monitoring, directors', consulting and other similar fees that we will receive with respect to a portfolio investment will generally be determined with reference to a Monitoring and Oversight Agreement with the portfolio company. The financing or other transaction fees that we will receive with respect to a portfolio investment will generally be determined with reference to a Financial Advisory Agreement with the portfolio company.

In general and as more fully described in the Information Memorandum for Partners of SPF Energy LP, SPF SBS LP, SPF BB-II Coinvest LP and Sector Performance GP, LP and the limited partnership agreement(s) of our Client (the "Offering Documents"), we will apply 80% of the limited partners' portion of the allocable share of Other Fees received, net of applicable expenses, to reduce on a pro rata basis (but not below zero) the aggregate amount of any unpaid future Management Fee payable by the Client to us for the immediately succeeding fiscal year.

The Client will typically pay all costs and expenses relating to its operations, including, but not limited to: organizational and offering costs of the Client; legal, auditing, consulting and accounting fees and expenses (which may include third party expenses associated with gathering information for and preparing Form PF); expenses of third party administrators and custodians; expenses of meetings of its advisory committee and of or with its limited partners; insurance, indemnification and other expenses associated with the acquisition, holding and disposition of proposed or actual portfolio investments; all extraordinary expenses, such as litigation; interest on and fees and expenses arising out of all permitted borrowings made by the Client; all third-party expenses relating to unconsummated transactions; all expenses of liquidating the Client; and any taxes, fees or other government charges levied against the Client and expenses incurred in connection with any tax audit, investigation, settlement or review of the Client.

Neither we nor any of our "supervised persons" accepts compensation for the sale of securities or other investment products.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

The general partner of the Client, our affiliate, will generally be entitled to a "carried interest" on the Client's profits in accordance with the provisions of its Offering Documents. The "carried interest" will be equal to fifteen percent of the distributable proceeds from an investment in excess of the capital invested by the Client's limited partners, and will be subject to an eight percent preferred return. The general partner will also generally be subject to a "clawback" of

“carried interest” previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to it as “carried interest”, applied on an aggregate basis covering all transactions of the Client. In no event will the general partner be required to restore more than the cumulative distributions received (or deemed to have been received if each portfolio investment were realized at fair market value as of such date) by it as “carried interest”, determined on an after-tax basis. The calculation of the carried interest is more fully described in the Client’s Offering Documents.

The existence of the carried interest may create an incentive for us to be more speculative with the investment on behalf of our Clients than we might otherwise be in the absence of such performance-based arrangement.

### **Item 7. Types of Clients**

It is our current intention to provide discretionary investment advice solely to the Client. We do not have any requirements for opening or maintaining an account.

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

#### ***Investment Strategies and Methods of Analysis***

We will be engaged primarily in the business of providing discretionary investment advice on behalf of our Client as more fully described in the Offering Documents. Our investment management services to our Client will consist primarily of overseeing and monitoring the investments and the disposition of the investments that will be held by our Client.

***Risk of Loss of Capital.*** Investing in securities involves the risk of loss of capital. Investors that cannot bear the loss of their entire investment should not make such an investment. More specific risk factors are set forth in the Offering Documents.

### **Item 9. Disciplinary Information**

None.

### **Item 10. Other Financial Industry Activities and Affiliations**

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

See *Conflicts of Interest* in Item 11 below.

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

#### **Code of Ethics**

We have adopted a code of ethics in accordance with Rule 204A-1 under the Advisers Act and policies and procedures which are designed to detect and mitigate conflicts of interest. Our code of ethics is documented in our Compliance Manual (“Manual”), a copy of which (and any amendments) is provided to each employee. Each employee must certify that he or she has read, understands and agrees to comply with our Manual. Furthermore, each employee must certify annually that he or she has complied with the Manual. We review our compliance policies and procedures with all new employees and conduct periodic compliance training sessions with employees, either individually or in groups, as necessary or appropriate. Our Manual requires all of our employees to conduct themselves with integrity and dignity, to act in a professional and ethical manner in all dealings on our behalf and to comply with all applicable federal securities laws.

Our Manual also requires all of our employees (except for certain employees involved only in clerical and administrative activities) (“Access Persons”) to notify us of all of their securities holdings and accounts and submit to us within 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually. The policy does not apply to transactions involving, among other limited exceptions, open-end mutual funds or other instruments which afford the investor no discretion over individual securities transactions.

Our Manual also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of our code of ethics will be provided to any client or prospective client upon request.

### **Conflicts of Interest**

*Principal Transactions.* We do not anticipate entering into principal transactions, where we or any of our affiliates purchase or sell any security for our own account from or to the account of any Client. In the event that we (or our affiliate) may engage in a principal transaction, we will obtain the approval of the Chief Compliance Officer, who would, among other things, ensure compliance with all requirements imposed by Section 206(3) of the Advisers Act and compliance with the Client’s Offering Documents.

*Cross Transactions.* We are not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, we may engage in a cross transaction, where one Client purchases or sells any security for its account from or to the account of another Client. In the event of a cross transactions, we will obtain any required Client approvals, including that of the Chief Compliance Officer who would, among other things, ensure that the transaction was at a demonstrably fair price and in each participating Client’s best interests and was made in accordance with the Client’s Offering Documents.

## **Item 12. Brokerage Practices**

We will not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Client because the proposed investments will be acquired and/or disposed of in a privately negotiated transaction.

From time to time, we may use a broker to effect transactions in public securities resulting from, or in connection with, the disposition of a portfolio investment. In those instances, we have full discretionary authority with respect to the selection of, and commissions paid to, brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with Client transactions.

## **Item 13. Review of Accounts**

Our Managing Partners are responsible for oversight and monitoring of the investments of our Client. Our investment professionals will meet regularly to review each investment.

Investors will be provided with audited annual financial reports and quarterly unaudited summary financial information. This information may be provided electronically. Investors will also be provided with written annual tax information.

## **Item 14. Client Referrals and Other Compensation**

We do not engage or compensate third party referral agents to solicit for us new clients.

## **Item 15. Custody**

We will engage a third party to serve as qualified custodian for the Client's funds and certificated securities. Additionally, our Client (within 90 days of the end of its fiscal year) will circulate to its investors audited annual financial reports prepared in accordance with generally accepted accounting principles.

## **Item 16. Investment Discretion**

Pursuant to the authority granted to us, or our affiliate, as the general partner of the Client, we have full discretion to complete investments by the Client, to determine the structure of that investment and to determine the terms and disposition of that investment. Limitations on our investment discretion are set forth in the Offering Documents.



**Item 17. Voting Client Securities**

While the securities evidencing the Client's investments will not likely be the subject of proxies, there could be certain circumstances where we, having discretionary authority, may be asked to vote the securities of the Client on restructuring or other corporate matters. In that event we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner. Our Client will be made aware of how we voted with respect to its securities.

A copy of our proxy voting policies and procedures will be provided to our Client and prospective Client upon request.

**Item 18. Financial Information**

Not Applicable.

**Item 19. Requirements For State-Registered Investment Advisers**

Not applicable.