

INVESTMENT ADVISER BROCHURE

TZP MANAGEMENT ASSOCIATES, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of TZP Management Associates, LLC, a Delaware limited liability company (“TZP Management”). If you have any questions about the contents of this Brochure, please contact us at (212) 398-0300. 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.

TZP Management 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 TZP Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	2
Advisory Business	2
Fees and Compensation.....	5
Performance-Based Fees and Side-By-Side Management	8
Types of Clients	8
Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Disciplinary Information.....	20
Other Financial Industry Activities and Affiliations.....	20
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	21
Brokerage Practices	22
Review of Accounts	24
Client Referrals and Other Compensation.....	24
Custody	25
Investment Discretion	25
Voting Client Securities	25
Financial Information.....	26
Supplemental Information About Certain Principals of TZP Management	27

MATERIAL CHANGES

This Brochure has been revised since the version dated March 28, 2013 to: (a) update the amount of client assets managed by the Adviser; (b) reflect the insertion of information regarding an additional Fund I Alternative Investment Vehicle, Fund II and additional Affiliated Advisers (each as defined below); (c) reflect certain clarifications relating to the management fees and expenses of certain funds; (d) update the description of the business practices of the Adviser and its affiliates; and (e) update certain risk factor and conflict of interest disclosures relating to the Adviser's investment strategies.

ADVISORY BUSINESS

TZP Group is a private investment management firm, including registered investment advisory entities and other organizations affiliated with TZP Management Associates, LLC, a Delaware limited liability company ("**TZP Management**" and, together with such affiliated organizations, collectively, "**TZP Group**"), that manages approximately \$550.5 million in private fund assets. TZP Group commenced operations in March 2007.

TZP Management is a registered investment adviser that commenced operations in February 2008. TZP Management and its affiliated investment advisers, TZP Capital Partners GP I, LLC ("**Fund I GP**"), TZP Capital Partners GP II, L.P. ("**Fund II GP**", together with Fund I GP, the "**General Partners**") and TZP Fund Manager II, L.P. ("**Fund II Manager**", together with the General Partners, the "**Affiliated Advisers**", and the Affiliated Advisers with TZP Management, the "**Advisers**") provide investment advisory services to private investment funds. Each Affiliated Adviser is registered under the Advisers Act pursuant to TZP Management's registration in accordance with SEC guidance. This Brochure also describes the business practices of each Affiliated Adviser, which operate as a single advisory business together with TZP Management.

Fund I GP has delegated the management of the business and affairs of Fund I to TZP Management. Fund II GP has delegated the management of the business and affairs of Fund II to Fund II Manager, and TZP Management in turn performs such management on behalf of Fund II Manager. (See below for a list of Fund I and Fund II funds; Fund I and Fund II each, a "**Fund**," collectively, the "**Funds**" and together with any future private investment fund managed by TZP Management, the "**Private Investment Funds**"). The investors of the Funds (other than the General Partners), as applicable, are referred to herein as "**Limited Partners**" and the Limited Partners together with the General Partners are referred to herein as the "**Partners**". With respect to each Fund, as applicable, the General Partner and any Limited Partner affiliated with the General Partner or its affiliates are referred to herein as "**Affiliated Partners**" of the Fund.

The Funds and any other Private Investment Funds are private equity funds and invest through negotiated transactions in operating entities. TZP Management's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted subject to certain limitations set forth in the applicable Fund's limited partnership agreement (each, a "**Limited Partnership Agreement**").

From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of TZP Management or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over the management of a Fund's portfolio companies.

From time to time, the Advisers may provide (or agree to provide) certain investors or other persons the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Private Investment Fund. Such co-invest vehicles typically invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Private Investment Fund making the investment. However, from time to time, for strategic and other reasons, a co-invest vehicle may purchase a portion of an investment from a Private Investment Fund. Any such purchase from a Private Investment Fund by a co-invest vehicle generally occurs shortly after the Private Investment Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-invest vehicle may be charged interest on the purchase to compensate the relevant Private Investment Fund for the holding period.

Fund I GP, a Delaware limited liability company, is the general partner of the following private investment funds:

- TZP Capital Partners I, L.P., a Delaware limited partnership (**the "Main Fund I"**)
- TZP Capital Partners I (PIV), L.P., a Delaware limited partnership ("**Fund I PIV**")

Additionally, Fund I GP is the general partner of the following alternative investment vehicles (the "**Fund I Alternative Investment Vehicles**"), which were formed for the purpose of investing in certain portfolio company investments of Main Fund I. The Fund I Alternative Investment Vehicles, together with Main Fund I, Fund I PIV, any feeder vehicles, other alternative investment vehicles and special purpose entities are collectively referred to herein as "**Fund I**".

- TZP Capital Partners I MS (AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I MS (PIV-AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I DLT (AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I DLT (PIV-AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I avVenta (AIV), LP, a Delaware limited partnership
- TZP Capital Partners I avVenta (PIV-AIV), LP, a Delaware limited partnership
- TZP Capital Partners I SP (AIV), LP, a Delaware limited partnership
- TZP Capital Partners I SP (PIV-AIV), LP, a Delaware limited partnership
- TZP Capital Partners I T5 (AIV), LP, a Delaware limited partnership
- TZP Capital Partners I T5 (PIV-AIV), LP, a Delaware limited partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to "Fund I" include each of the above-named private funds. While the substantial majority of the terms of each above named fund are the same, each of such funds was formed to suit the purposes of certain types of investors so there are slight variations in structure and investment terms among

the funds. Investors should refer to the private fund's Limited Partnership Agreement for specific terms with respect to that private fund.

Further, Fund I GP is the manager of each of the following co-investment funds (collectively, the “**Fund I Co-Investment Vehicles**”), which were formed for the purpose of investing with Fund I in certain portfolio company investments of Fund I at the same time and on the same terms on a *pro rata* basis based on relative commitment sizes of Fund I and the relevant Fund I Co-Investment Vehicles.

- TMM Investors, LLC, a Delaware limited liability company
- MS Investment Vehicle LLC, a Delaware limited liability company
- Dwyer Group Investment Holdings, LLC, a Delaware limited liability company
- SP Investment Vehicle, LLC, a Delaware limited liability company
- T5 Investment Vehicle, a Delaware limited liability company

Fund II GP, a Delaware limited partnership, is the general partner of the following private investment funds (together with any feeder vehicles, alternative investment vehicles and other special purpose entities, “**Fund II**”):

- TZP Capital Partners II, L.P., a Delaware limited partnership (the “**Main Fund II**”)
- TZP Capital Partners II-A (Blocker), L.P., a Delaware limited partnership (“**Fund II-A (Blocker)**”)

For the sake of clarity, unless otherwise indicated, references in this Brochure to “Fund II” include each of the above-named private funds. While the substantial majority of the terms of each above named fund are the same, each of such funds was formed to suit the purposes of certain types of investors so there are slight variations in structure and investment terms among the funds. Investors should refer to the private fund's Limited Partnership Agreement for specific terms with respect to that private fund.

Further, Fund II GP is the manager of each of the following co-investment funds (collectively, the “**Fund II Co-Investment Vehicles**”), which were formed for the purpose of investing with Fund II in certain portfolio company investments of Fund II at the same time and on the same terms on a *pro rata* basis based on relative commitment sizes of Fund II and the relevant Fund II Co-Investment Vehicles.

- Snap Investments, LLC, a Delaware limited liability company
- GES Investments Holdings, LLC, a Delaware limited liability company

TZP Management's advisory services for the Private Investment Funds are detailed in the applicable private placement memoranda and the supplements thereto (each, a “**Private Placement Memorandum**” and, collectively, the “**Private Placement Memoranda**”) and the Limited Partnership Agreements of the Funds and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Private Investment Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, tax, accounting, regulatory or other applicable considerations.

The Funds have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under or altering or supplementing the applicable Limited Partnership Agreements.

As of December 31, 2013, TZP Management managed approximately \$550.5 million in client assets on a discretionary basis. The Advisers are controlled (within the meaning of the Advisers Act) by Samuel L. Katz. Please refer to TZP Management's Form ADV Part 1A for a list of its and Fund II Manager's principal owners.

FEES AND COMPENSATION

In general, TZP Management receives (directly or indirectly) a management fee ("**Management Fee**") paid by the Funds in connection with advisory services it provides. TZP Management or other TZP Group entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds (e.g., the General Partners receive carried interest, discussed in detail below) and certain additional compensation will offset in whole or in part the Management Fee otherwise payable to TZP Management. Portfolio company-related fees may also include amounts prepaid in anticipation of future services or otherwise accelerated, which will be offset against the applicable Management Fee to the extent set forth in the relevant Partnership Agreement. Limited Partners in the Funds also bear certain fund expenses.

Management Fees

Fund I

Fund I pays TZP Management an annual Management Fee, payable quarterly in advance, equal to 2% per annum of the aggregate funded commitments of its Limited Partners (without duplication) in respect of portfolio investments that have not been the subject of a disposition, until dissolution of the Fund I.

TZP Management may waive all or a portion of Management Fees payable in the following year (the "**Waived Amount**"). Any Waived Amount will reduce, on a dollar-for-dollar basis, the amount of capital contributions that Fund I GP would otherwise be required to make in respect of its commitment and the Limited Partners will be required to make additional capital contributions to satisfy such reduction, *pro rata*, in accordance with their respective funded commitments, up to the amount of the Waived Amount. TZP Management (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the Limited Partners in respect of the Waived Amount, but solely out of profits from portfolio investments. Waived Management Fees are not subject to the Management Fee offsets described below. Due to any such waiving of Management Fees and/or timing of receipt of compensation subject to offsets (as described below), it is possible that Management Fee offsets will not be fully realized by investors in Fund I, resulting in an additional benefit to TZP Management.

TZP Management has the right to contract for and receive transaction fees, break-up fees and directors' fees (collectively, "**Supplemental Fees**") in connection with the activities of Fund I; provided, however, that (A) (i) 25% of the first \$2 million for each fiscal year, (ii) 50% of the next \$1 million for each fiscal year and (iii) 75% of any amount in excess of \$3 million for each

fiscal year, of any such transaction fees; (B) (i) 25% of the first \$2 million for each fiscal year, (ii) 50% of the next \$1 million for each fiscal year and (iii) 75% of any amount in excess of \$3 million for each fiscal year, of any such break-up fees; and (C) 100% of such directors' fees shall be applied, net of applicable expenses (without duplication), to reduce any unpaid future Management Fee payable by Fund I; moreover, any such reduction of Fund I's Management Fee will be limited to the extent of Fund I's proportionate interest in any such Supplemental Fees.

To the extent that the Management Fee is not so reduced as of any given payment date because the Management Fee has been reduced to zero, the excess shall be carried over to the next succeeding payment date (and, if necessary, to one or more subsequent payment dates) and applied as a reduction of the Management Fee (but not below zero) for such succeeding payment date (or subsequent payment date).

Fund I's Management Fee is further reduced in the circumstances and by the amounts described in the Fund I Limited Partnership Agreements.

Fund I Co-Investment Vehicles

The Fund I Co-Investment Vehicles do not pay a Management Fee.

Fund II

Fund II pays Fund II Manager (net any management fee waiver or offsets, as described below), an annual Management Fee, payable quarterly in advance, equal to 2% per annum of aggregate commitments of its Limited Partners (other than Affiliated Partners) until the earlier of the first payment date following (a) the expiration or termination of the Fund II commitment period and (b) an initial closing admitting third party investors to any successor partnership of a size equal to or greater than Fund II with investment objectives substantially similar to those of Fund II. Thereafter, the Management Fee will be reduced on a prospective basis to an amount equal to 2% per annum of aggregate funded commitments of its Limited Partners (other than Affiliated Partners) in respect of portfolio investments and bridge financings that have not been the subject of a disposition.

Fund II Manager may waive all or a portion of Management Fees payable in the following year. Any Waived Amount will reduce, on a dollar-for-dollar basis, the amount of capital contributions that Fund II Manager, in its capacity as a Limited Partner, would otherwise be required to make in respect of its commitment and Limited Partners (other than Affiliated Partners) will be required to make additional capital contributions to satisfy such reduction, *pro rata*, in accordance with their respective commitments, up to the amount of the Waived Amount. Fund II Manager (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the Limited Partners in respect of the Waived Amount, but solely out of profits from portfolio investments. Waived Management Fees are not subject to the Management Fee offsets described below. Due to any such waiving of Management Fees and/or timing of receipt of compensation subject to offsets (as described below), it is possible that Management Fee offsets will not be fully realized by investors in Fund II, resulting in an additional benefit to TZP Management.

Fund II Manager has the right to contract for and receive Supplemental Fees in connection with the activities of Fund II; provided, however, that an amount equal to the sum of each Limited Partner's (other than Affiliated Partners) *pro rata* share (based on such Limited Partner's sharing percentage) of 100% of any such Supplemental Fees shall be applied, net of applicable expenses (without duplication), to reduce any unpaid future Management Fee payable by Fund II; moreover, any such reduction of Fund II's Management Fee will be limited to the extent of Fund II's proportionate interest in any such Supplemental Fees.

To the extent that the Management Fee is not so reduced as of any given payment date because the Management Fee has been reduced to zero, the excess shall be carried over to the next succeeding payment date (and, if necessary, to one or more subsequent payment dates) and applied as a reduction of the Management Fee (but not below zero) for such succeeding payment date (or subsequent payment date).

Fund II's Management Fee is further reduced in the circumstances and by the amounts described in the Fund II Limited Partnership Agreements.

Other Information

The Funds and any other Private Investment Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Limited Partnership Agreements over the terms of the Funds (or the relevant Private Investment Funds, as applicable) and Limited Partners generally are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Funds, as applicable). The General Partners reserve the right to waive all or a portion of any Management Fee and/or Carried Interest (as defined below) payable by Limited Partners of their respective Funds or other Private Investment Funds.

In addition to the Management Fee and Carried Interest, the Funds bear certain expenses. As set forth in their Limited Partnership Agreements, the Funds bear all expenses to the extent not paid by portfolio companies, including legal, accounting, auditing, investment banking, travel, printing, consulting, research, brokerage, finder's fees, custody, transfer, government and registration, insurance, advisory board, interest, taxes, litigation (if any), Limited Partner meetings, communications, liquidation and other similar fees and expenses, including, except to the extent determined by an Adviser in its sole discretion, the full amount of any expenses incurred as a result of a proposed transaction or investment by a Fund that is not consummated, to the extent not reimbursed by a third party ("**Broken Deal Expenses**"). Co-investment funds may be formed in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no co-investment fund generally will have been formed, and the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

TZP Management and/or its affiliates may have discretion over whether to charge transaction fees or other portfolio company fees to a portfolio company and, if so, the fee rate or

amount. The receipt of such fees may give rise to conflicts of interest between the Private Investment Funds, on the one hand, and TZP Management and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

TZP Management does not receive a carried interest allocation (“**Carried Interest**”) for its advisory services to the Funds. Rather, Fund I GP and Fund II GP each receive a Carried Interest equal to 20% of all aggregate realized Limited Partner profits from Fund I and Fund II, respectively, subject to satisfaction of an 8% preferred return, compounded annually, as more fully described in the applicable Fund’s Limited Partnership Agreement. If Fund I GP or Fund II GP receives Carried Interest distributions during the life of Fund I or Fund II, respectively, which are, in the aggregate, in excess of 20% of such Fund’s cumulative net profits, then such excess Carried Interest distributions will be subject to repayment by such General Partner; provided that the General Partner shall not be required to refund an amount in excess of the cumulative distributions (exclusive of distributions in respect of the General Partner’s committed capital) received by the General Partner less taxes paid or deemed paid by the General Partner in respect of its Carried Interest.

The Fund I Alternative Investment Vehicles are subject to the Carried Interest provisions set forth in the Limited Partnership Agreement of Main Fund I. The Carried Interest payable by the Fund I Alternative Investment Vehicles is incurred and paid solely by Main Fund I. Without limiting the foregoing, there is no duplication of Carried Interest among Main Fund I and the Fund I Alternative Investment Vehicles.

The Fund I Co-Investment Vehicles are not subject to a Carried Interest. This practice could present a conflict of interest because Fund I GP has an incentive to favor accounts for which it receives a performance-based fee. Fund I GP seeks to address this potential conflict of interest by managing the applicable investment of Fund I and the relevant Fund I Co-Investment Vehicles, to the extent practicable, on the same terms on a *pro rata* basis based on relative commitment sizes of Fund I and such Fund I Co-Investment Vehicles.

TYPES OF CLIENTS

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

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Generally, the Advisers seek long-term capital appreciation through control equity and equity-related investments in middle-market companies, in the form of buyouts, build-ups and recapitalizations, located primarily in North America.

TZP Group focuses its investing activities on business and consumer services companies with, what it considers, strong cash flows, which TZP Group believes it can improve and/or which can serve as acquisition platforms. TZP Group will leverage the network of relationships its investment professionals (“**Investment Professionals**”) possess with owners and managers of middle-market companies, as well as, financial intermediaries who are active in its target industries.

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

Investment and Operating Strategy

Transaction Sourcing

TZP Group anticipates that a number of its investment opportunities will be in the industry categories in which the Investment Professionals have transaction experience. TZP Group also researches market segments and develops relationships therein with the aim of developing additional deal flow. The Investment Professionals utilize the same strategies used in their prior experience in attempting to generate transaction opportunities.

Size - Middle-Market Companies

The Advisers generally targets middle-market equity investments. The Advisers generally seek equity investments ranging between \$20 million and \$80 million in portfolio companies typically with enterprise values up to \$250 million and EBITDA greater than \$5 million. TZP Group focuses on companies and investments in this size range due to: (i) what it perceives as a large number of companies of this size; (ii) what it perceives as favorable transaction dynamics due to generally fewer competing sources of capital; (iii) what it believes to be generally lower acquisition multiples; and (iv) the potential to exit at a higher multiple than paid at entry. A Fund may invest in companies with enterprise values in excess of \$250 million with the assistance of co-investors if determined that such companies meet the investment criteria.

Industries - Business and Consumer Services

TZP Group has particular interest in industries where the Investment Professionals have specific knowledge or experience. These include: residential real estate, vehicle services, travel services, marketing and media services, specialty finance and franchise services.

TZP Group believes that middle market business and consumer services companies have a number of common operating and strategic challenges, which create an opportunity to add value through active investment management. Such challenges include: (i) implementing disciplined strategic planning, financial budgeting and capital allocation processes; (ii) developing effective customer acquisition and retention strategies; (iii) taking advantage of

business process outsourcing opportunities; (iv) attracting high quality personnel across functional areas; and (v) effectuating business model refinements.

Company Characteristics - Earnings Growth Prospects and Potential for Add-on Acquisitions

TZP Group generally seeks to identify and invest in companies that it believes are capable of generating earnings growth in excess of either their underlying industries or their historical performance. Typically, these businesses possess some, if not all, of the following characteristics:

- Well-defined and defensible market niche or proprietary products, brand names or channels of distribution with meaningful barriers to entry;
- Limited exposure to cyclical downturns;
- Lack of a disciplined strategic planning and/or capital allocation process;
- Unrecognized or untapped revenue potential;
- Unrealized and sustainable cost reduction opportunities;
- Potential for augmenting and upgrading key personnel; and
- Potential for add-on, accretive acquisitions.

TZP Group believes that companies with such characteristics frequently represent attractive investment opportunities as their valuations are often driven by historical performance and, thus, may reflect a discount to their true growth potential.

Identify Target Industries

TZP Group strives to work continuously and in a variety of ways to identify proactively, in its opinion, the most attractive business and consumer services sectors for private equity investment. TZP Group favors industries: (i) that are being driven by clear and sustainable growth factors; (ii) that have high barriers to competitive entry and/or restrained capital expenditure and working capital growth needs; (iii) that have reasonable returns on assets and opportunities for niche market participation; and (iv) that are undergoing structural changes that could potentially create investment opportunities and/or improved economics. TZP Group seeks sectors that are fragmented such that TZP Group believes it may have an opportunity to find companies in which to deploy an efficient amount of capital and actionable add-on acquisitions. Additionally, TZP Group seeks sectors where it believes well-managed companies can achieve high exit multiples from either strategic or financial acquirers or in the public equity markets.

Proactively Approach Companies

TZP Group typically seeks to acquire companies in its chosen sectors where TZP Group sees an opportunity to increase enterprise value through active investment management. While TZP Group will participate in competitive sale processes, it intends to do so when it believes it has a competitive advantage over other potential buyers, as a result of its industry or company knowledge, and/or close relationships with management or key industry executives. TZP Group expects that most of its transactions will not face significant competition.

Transaction Selection

TZP Group expects its deal selection process to include: (i) financial and business analysis of its target industries and companies; (ii) use of internal and external professional resources; (iii) development of relationships with owners and management teams; and (iv) application of its transaction and industry experience to identify and address due diligence issues early in the acquisition process. TZP Group expects its due diligence analysis of target companies to include (but not be limited to): (i) review of historical financial performance; (ii) industry trend analysis; (iii) competitive positioning of the target company; (iv) valuation of similar businesses in the public and private markets; (v) cash flow modeling under a variety of operating and capital structure assumptions; (vi) use of its network of industry executives and/or consultants for perspectives on specific topics; (vii) preparation of due diligence reports by lawyers, accountants and other specialists; (viii) discussions with management at different levels in the organization; (ix) review of company operating reports and metrics for each business function; and (x) examination of contingents assets and liabilities.

In addition to its approach to due diligence, TZP Group maintains a screening process to assess whether an investment opportunity meets the investment criteria. TZP Management will ultimately rely on its final due diligence findings to determine if an investment opportunity fulfills the key investment criteria: (i) an ability to implement active investment management to add value to the target company post-closing; (ii) a realistic probability of acquiring the target company at an attractive price; and (iii) an expectation of an attractive IRR and MOIC over a four- to six-year holding period for the investment.

Transaction Execution

TZP Group will seek primarily to make investments where the Funds become the controlling shareholder of the target company. Where the amount of capital required for the investment exceeds TZP Group's desired allocation level for the applicable Fund, TZP Group may offer co-investment opportunities. TZP Group expects to structure primarily leveraged buyout or recapitalization transactions and, when appropriate, other forms of flexible control investing. While the Funds typically will incur debt at the portfolio company level in connection with making investments, the Funds will attempt to maintain capital structures of portfolio companies to allow for TZP Group's investment plan to be executed and to withstand a degree of variability in operating performance. The Funds seek to employ flexible debt structures with tailored covenants, which permit additional draw-downs and limited amortization.

TZP Group will work closely with management of a target company to prepare for post-closing periods of investment. Such preparation normally includes: (i) establishment of financial operating targets; (ii) development of a strategic plan; (iii) creation of metrics to measure business drivers on a regular basis; (iv) agreement on management and employee incentive plans; and (v) agreement on ongoing reporting relationships between TZP Management and the target company.

Post-Closing Value-Add

TZP Group believes that implementing active investment management post-closing is an important competitive advantage for the Funds. By implementing active investment management, TZP Management believes it can: (i) accelerate revenue growth of portfolio companies; (ii) implement business model refinements, cost reductions and disciplined portfolio management practices; (iii) effectuate appropriate management team enhancements; and (iv) pursue add-on acquisitions and synergistic consolidations on behalf of the Funds' portfolio companies.

TZP Group believes that critical to the success of active investment management is a disciplined plan for oversight of each investment. On an ongoing basis, TZP Management has an active role in the management of the Funds' portfolio companies, which will extend significantly beyond the initial planning stages. TZP Management intends to work with the management teams of the Funds' portfolio companies to create annual financial plans by which the performance of such companies will be measured and to develop strategic plans, which set out clear priorities that enhance the long term value of such companies and contain contingency plans for potential vagaries. TZP Management will attempt to implement reporting processes that consistently measure performance against agreed-upon financial and strategic targets.

TZP Management believes that the factors that have the greatest impact on investment returns are earnings growth and earnings multiple expansion. Further, TZP Management believes that eschewing financial engineering and emphasizing active investment management will benefit the Funds and result in relatively lower-risk IRRs and higher MOICs over comparatively longer holding periods.

Transaction Exit

TZP Management takes into consideration the exit options for a portfolio company prior to making an initial investment and will be actively involved with portfolio company management in positioning the company for a formal, professional sale process. TZP Management expects that most of the Funds' investments will have holding periods of four to six years. TZP Management's primary exit strategy for the investments will be a sale to a strategic or financial purchaser, and, to a lesser extent, through IPOs and recapitalizations. TZP Group believes that these factors can result in higher earnings multiples afforded to these companies as compared to those paid at time of investment.

Risks of Investment

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. Investors should review each Fund's Private Placement Memorandum for information regarding risks specific to each Fund. In general, the risks involved with the Advisers' investment strategy and an investment in the Funds include, but are not limited to:

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

Future and Past Performance. The prior investment performance of the Advisers' principals is not necessarily indicative of a Fund's future results. While the General Partners intend for the Funds to make investments that have anticipated 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 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 the Funds' investment once made.

Concentration of Investments. Each Fund will participate in a limited number of investments and intends to make most of its investments in one industry or one industry segment (or related industry segments). As a result, each Fund's investment portfolio is likely to become highly concentrated, and the performance of a few holdings or of such industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, each Fund may invest in fewer portfolio companies than it would ordinarily target 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 the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners generally will be required to pay Management Fees during the Funds' commitment periods based on the entire amount of the Limited Partners' commitments.

Dynamic Investment Strategy. While the General Partners generally intend to seek attractive returns for the Funds primarily through making private equity and control-oriented, growth equity investments, the General Partners may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partners may pursue investments outside of the industries and sectors in which the Advisers' principals have previously made investments or have internal operational experience.

Illiquidity; Lack of Current Distributions. An investment in a Fund 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 the Funds' capital, including, without limitation, unfunded commitments.

Leveraged Investments. The Funds may make use of leverage by having a portfolio company incur debt to finance a portion of the investment in such portfolio company, including in respect of companies not rated by credit agencies. Such use of leverage generally magnifies

both the Funds' opportunities for gain and their risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. 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. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be tight at the time the General Partners determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with their forecasts. Moreover, the companies in which the Funds invest generally are not rated by a credit rating agency.

Limited Transferability of 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 interests under the Limited Partnership Agreements and applicable securities laws. In general, withdrawals of interests are not permitted. In addition, interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the Limited Partners.

Reliance on the Advisers and Portfolio Company Management. Control over the operation of the Funds will be vested with the Advisers, and the Funds' future profitability will depend largely upon the business and investment acumen of the Advisers' principals. The loss or reduction of service of one or more of them could have an adverse effect on the Funds' ability to realize their investment objectives. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the Advisers. In addition, certain changes in the Advisers or circumstances relating to the Advisers may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the Advisers will monitor the performance of the Funds' investments, it is primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

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

Withholding Tax on Certain Non-U.S. Entities. Legislation enacted in 2010 generally imposes, beginning January 1, 2014, a new withholding tax of 30% that will apply to distributions from the Funds to non-U.S. entities in respect of most payments attributable to investments in the United States, including distributions attributable to dividends, interest, and gross proceeds of a disposition of stock, unless the foreign entity complies with certain conditions or an exception applies.

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

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There can be no assurance that any governmental scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

The combination of recent scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Additionally, Congress has recently considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Funds (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the Funds' income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Funds, could adversely affect partners, employees or other individuals associated with the Funds, the management companies or the general partners who were or may in the future be granted direct or indirect interests in the General Partners entitling such persons to benefit from Carried Interest. This may reduce such person's after-tax returns from the Funds and the General

Partners, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds.

Need for Follow-On Investments. Following their initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase their investment in a successful portfolio company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or their inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Funds to increase their participation in successful portfolio companies or the dilution of the Funds' ownership in portfolio companies if third parties invest in such portfolio companies.

Hedging Arrangements. The Advisers may (but are not obligated to) endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Funds to additional liquidity risks.

Certain hedging arrangements may create for the Advisers and/or one of their affiliates a registration or exemption obligation with the U.S. Commodity Futures Trading Commission or other regulator.

Significant Adverse Consequences for Default. The Funds' Limited Partnership Agreements provide for significant adverse consequences in the event a Limited Partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest.

General Partners' Carried Interest. The fact that the General Partners' Carried Interest is based on a percentage of net profits may create an incentive for the General Partners to cause the Funds to make riskier or more speculative investments than otherwise would be the case. Further, the Funds may manage accounts that are not subject to a Carried Interest. This practice could present a conflict of interest because the General Partners have an incentive to favor accounts for which they receive a performance-based fee. The Advisers seek to address this potential conflict of interest by managing the applicable investments of the Funds and other

Private Investment Funds, to the extent practicable, on the same terms on a *pro rata* basis based on relative commitment sizes of the Funds and such other Private Investment Funds.

Transfer by General Partner. To the extent the General Partners, their partners, the Funds' Limited Partners and/or their respective affiliates commit or have made commitments to make an investment in the Funds, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Funds' Limited Partnership Agreements.

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

Non-Controlling Investments. The Funds may hold meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Funds hold may lack some or all of control characteristics of majority stakes, as well as the valuation premiums accorded majority or controlling stakes.

Director Liability. The Funds may appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Delayed Schedule K-1s. The Funds may not be able to provide final Schedule K-1s to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partners will use commercially reasonable efforts to provide Limited Partners with final Schedule K-1s on or before such date, but final Schedule K-1s may not be available until the Funds have received tax-reporting information from their portfolio companies necessary to prepare final Schedule K-1s. Limited Partners may be required to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of the

Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which the Funds make investments.

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 performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. The recent deterioration of the global credit markets has made it more difficult for investment funds such as the Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. The Funds' ability to generate attractive investment returns may be adversely affected to the extent the Funds are unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Funds to realize their investments at favorable times or for favorable prices.

Non-U.S. Investments. Fund I may invest up to an amount no greater than twenty percent of aggregate commitments, and Fund II may invest up to an amount no greater than the greater of (i) \$50 million and (ii) twenty percent of aggregate commitments (excluding bridge financings), in portfolio companies that are organized or 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 Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the Limited Partners with respect to the Limited Partners'

income, and possible non-U.S. tax return filing requirements for the Funds and/or the Limited Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. 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.

Fund II - Limited Operating History. While the Advisers' principals have previous experience making and managing investments similar to those contemplated by Fund II, including on behalf of Fund I, the Advisers' principals have limited experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that Fund II's investments will achieve results similar to those attained by previous investments of the Advisers' principals.

Conflicts of Interest

During the commitment periods of the Funds, all appropriate investment opportunities will be pursued by the Advisers' principals through the applicable Fund, subject to certain limited exceptions. Following the commitment periods of the Funds, the Advisers' principals may and likely will focus their investment activities on other opportunities and areas unrelated to the applicable Fund's investments.

From time to time, the Advisers' principals and the Advisers will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Private Investment Funds and other investment vehicles operated by advisory affiliates of the Advisers. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. The Advisers attempt to resolve such conflicts of interest in light of their obligations to investors in their Private Investment Funds and the obligations owed by the Advisers' advisory affiliates to investors in investment vehicles managed by them, and attempt to allocate investment opportunities among the Funds, other Private Investment Funds and such investment vehicles in a fair and equitable manner. Where necessary, the Advisers consult and receive consent to conflicts from an advisory committee consisting of limited partners of the applicable Fund and such other investment vehicles.

The existence of the General Partners' Carried Interest distributions in the circumstances described above may create an incentive for the General Partners to make more speculative portfolio investments on behalf of the Funds than they would otherwise make in the absence of such performance-based arrangement, although the General Partners' capital commitments to the Funds should tend to reduce this incentive. Additionally, since TZP Management and TZP Fund II are permitted to retain certain Supplemental Fees on behalf of Fund I and Fund II, respectively (as described under "Fees and Compensation") in connection with such Funds' investments, they could have a conflict of interest in connection with approving certain transactions.

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of the portfolio investments made by the Funds, the structuring or the acquisition of portfolio investments and the timing of disposition of portfolio investments. As a consequence, conflicts of interest may arise in connection with a decision made by the Advisers, including with respect to the nature or structuring of portfolio investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Advisers will consider the investment and tax objectives of the Funds and their Partners as a whole, not the investment, tax or other objectives or any Limited Partner individually.

As a result of the Private Investment Funds' controlling interests in portfolio companies, TZP Management and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to TZP Management and/or its affiliates. TZP Management and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Private Investment Funds or other investment vehicles advised by TZP Management and/or its affiliates. Additionally, TZP Management, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an Investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, TZP Management and/or its affiliates, and/or the Private Investment Funds or other investment vehicles they advise. In addition, portfolio companies may from time to time pay certain fees to third party consultants (including consultants introduced or arranged by TZP Management and/or its affiliates that may regularly provide services to one or more Private Investment Fund portfolio companies), and such fees will not offset the Management Fee as described herein. Any of these situations subjects TZP Management and/or its affiliates to potential conflicts of interest.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

TZP Management is affiliated with other related investment advisers registered with the SEC under the Advisers Act pursuant to TZP Management's registration in accordance with SEC guidance. These advisers consist of the entities listed in Section 7.A of Schedule D of the Adviser's Form ADV Part 1A. These affiliated investment advisers operate as a single advisory business together with TZP Management and serve as managers or general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Advisers have adopted the TZP Group Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of TZP Group principals and employees and addresses conflicts that arise from personal trading. The Code requires certain TZP Group personnel to report their personal securities transactions, prohibits or requires pre-clearance for TZP Group personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits TZP Group personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the TZP Group Chief Compliance Officer. A copy of the Code will be provided to any Limited Partner or prospective limited partner upon request to Daniel H. Galpern, the TZP Group Chief Compliance Officer, at (212) 398-0300. 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.

The Advisers and their 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, the Advisers and their 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 the Advisers.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers 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 the Advisers’ personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of the Advisers and their affiliates may directly or indirectly own an interest in Private Investment Funds, including the Funds or certain co-investment funds. To the extent that co-investment funds exist, such funds may invest in one or more of the same portfolio companies as the Funds.

Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Additionally, the Funds and other Private Investment Funds may invest together with other funds advised by an affiliated adviser of TZP Management in the manner set forth in their Limited Partnership Agreements. The Advisers will determine the allocation of investment opportunity in a manner that it believes is fair and equitable to its clients consistent with the Advisers’ obligations and may take into consideration factors such as the following: the client’s investment restrictions and objectives (including those set forth in the relevant client’s governing documents, where applicable), investment and operating guidelines, diversification limitations, tax and regulatory

considerations, minimum dollar limits and other relevant factors, including risk. In the case of co-invests, the Advisers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in TZP portfolio companies or otherwise to have priority in co-investment opportunities.

The Advisers and their 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 TZP Group (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 Limited Partners (or their representatives) in such Reference Funds.

From time to time, the Advisers may borrow funds on behalf of a Fund or the Private Investment Funds and contribute such borrowed amounts to such Fund (or relevant Private Investment Fund, as applicable) as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the Fund (or the relevant Private Investment Fund, as applicable) as a Fund expense, consistent with the Limited Partnership Agreement (or other governing document) and the expense policy described under “Fees and Compensation.” In borrowing on behalf of a Fund or a Private Investment Fund, the Advisers are subject to conflicts of interest between repaying their obligations and retaining such borrowed amounts for the benefit of the Fund or Private Investment Fund, as applicable. The Advisers will effect such borrowings in a manner they believe to be fair and equitable to the Fund or Private Investment Fund, as applicable, and consistent with the Advisers’ obligations to the Fund and the Limited Partnership Agreement (or other governing document).

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

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

The Advisers have 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 the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Advisers’ Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund managed by the Advisers, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund. Research services may be shared among the Advisers and their affiliates.

The Advisers do not employ any agreement or formula for the allocation of brokerage business on the basis of research services; however, the Advisers may, in their discretion, cause the Private Investment Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Advisers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Advisers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Advisers will periodically determine which brokers have provided research that has been helpful in the management of Private Investment Funds. To the extent consistent with the Advisers’ goal to obtain best execution for the Funds, the Advisers may seek to place a portion of the trades that they direct with the brokers who are identified through this process.

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

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed

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

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

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

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, TZP Management closely monitors companies in which the Funds invest, and the TZP Group Chief Financial Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

Each Fund will provide to each of its Limited Partners (i) annual financial statements (which, in the case of all Funds other than the Fund I Co-Investment Vehicles, will be GAAP audited financial statements) as well as quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner’s tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

CLIENT REFERRALS AND OTHER COMPENSATION

TZP Management and/or its affiliates may provide certain business or consulting services to companies in each Fund’s portfolio and may receive compensation from these companies in connection with such services. As described in the Funds’ Limited Partnership Agreements, this compensation may, in many cases, offset a portion of the Management Fees paid by Funds. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See “Fees and Compensation.”

From time to time, the Advisers may enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential Limited Partner becoming a Limited Partner in a Fund or other Private Investment Fund. Any fees and expenses

payable to any such placement agents will borne by TZP Management indirectly through an offset against the Management Fee.

CUSTODY

TZP Management maintains custody of the Funds' assets held in each Fund's name with the following qualified custodians: Citizens Bank, N.A., Deutsche Bank AG, Deutsche Bank Trust Company and Silicon Valley Bank.

INVESTMENT DISCRETION

TZP Management has discretionary authority to manage investments on behalf of each Fund pursuant to the Limited Partnership Agreements and Management Agreements described under "Advisory Business." As a general policy, the Advisers do not allow clients to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, the Advisers may enter into "side letter" arrangements with certain Limited Partners whereby the terms applicable to such Limited Partners' investments in the Funds 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. TZP Management assumes this non-discretionary authority pursuant to the terms of the Management Agreements and powers of attorney executed by the Limited Partners of the Funds.

VOTING CLIENT SECURITIES

The Advisers have adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for each Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Each of the Advisers generally believes its interests are aligned with those of Funds' Limited Partners through the principals' beneficial ownership interests in the Funds and therefore will not seek Limited Partner approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers 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. Additionally, a Fund's advisory board may approve an Adviser's vote in a particular solicitation. The Advisers do not consider service on portfolio company boards by TZP Group personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Funds. If you would like a copy of the Advisers' complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, please contact Daniel H. Galpern, the TZP Group Chief Compliance Officer, at (212) 398-0300 and it will be provided to you at no charge.

FINANCIAL INFORMATION

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

SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF TZP MANAGEMENT

Samuel L. Katz

Educational Background and Business Experience

Samuel L. Katz, born 1965, founded TZP Group in March 2007. Mr. Katz serves as the Managing Partner and as a member of the Investment Committee for TZP Group. Mr. Katz began his career in 1986 as a financial analyst at Drexel Burnham Lambert. From 1988 to 1992, he was an Associate and Vice President at The Blackstone Group. From 1992 to 1995, Mr. Katz invested in private and public equity as Co-Chairman of Saber Capital, Inc. and Vice President of Dickstein Partners Inc. In 1996 he joined HFS Incorporated, the predecessor of Cendant Corporation. Mr. Katz served on Cendant Corporation's Investment Committee and held various operating and management roles, including CEO of Cendant Internet Group (2000), Chairman and CEO of Travelport Limited (2001-2005), Co-Chairman of Affinion Group, Inc. (2003-2005) and Chairman and CEO of the Financial Services Division (2003). After Cendant Corporation, Mr. Katz joined MacAndrews & Forbes Holdings, Inc. as CEO of MacAndrews & Forbes Acquisition Holdings Inc. (2006-2007). Mr. Katz is a member of the Boards of Directors of DLT Solutions, LLC, The Water Cooler Group, LLC, TMM Military Management, Inc., BQ Resorts, LLC, The Dwyer Group, Inc., Cloud 5, LLC, Global Employment Solutions, Inc., Lift Brands, Inc., Pennant Park Floating Rate Capital Ltd. and Pennant Park Investment Corporation. Mr. Katz is a founder and also serves as President of the Youth Renewal Fund. Mr. Katz received his B.A. magna cum laude in Economics from Columbia College in 1986.

Disciplinary History

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

Other Business Activities

As noted above, Mr. Katz is a member of the board of Pennant Park Floating Rate Capital Ltd. and Pennant Park Investment Corporation. Otherwise, Mr. Katz is not engaged in any investment-related business outside of his roles with TZP Management and its affiliates.

Additional Compensation

Mr. Katz receives additional compensation in connection with the activities described immediately above.

Supervision

As the Managing Partner of TZP Group, Mr. Katz is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Katz is not subject to the supervision of any other individual other than, with respect to compliance matters, the TZP Management Chief Compliance Officer.

Vladimir M. Gutin

Educational Background and Business Experience

Vladimir M. Gutin, born 1967, joined TZP Group in July 2007. Mr. Gutin serves as a Partner and as a member of the Investment Committee for TZP Group. Mr. Gutin began his career in 1990 as a research assistant at The Board of Governors of the Federal Reserve System. After receiving his M.B.A. in 1994, Mr. Gutin joined the Financial Institutions Group of Goldman, Sachs and Co., where he served as Managing Director and Co-Head of the Specialty Finance Group, whose clients primarily consisted of middle-market consumer and commercial finance companies and subsidiaries. During his 13-year career at Goldman, Sachs and Co., Mr. Gutin served as senior execution banker on 22 mergers and acquisitions transactions and 3 bookrun IPOs, solely for middle-market, specialty finance companies. Mr. Gutin serves as a member of the Board of Directors of The Dwyer Group, Inc. and Global Employment Solutions, Inc. Mr. Gutin received his B.A. in Economics from The Johns Hopkins University in 1989 and his M.B.A. with highest distinction from The Tuck School of Business at Dartmouth in 1994.

Disciplinary History

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

Other Business Activities

Mr. Gutin is not engaged in any investment-related business outside of his roles with TZP Management and its affiliates.

Additional Compensation

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

Supervision

As a Partner of TZP Group, Mr. Gutin is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Gutin is not subject to the supervision of any other individual other than Samuel L. Katz and, with respect to compliance matters, the TZP Management Chief Compliance Officer.

Daniel H. Galpern

Educational Background and Business Experience

Daniel H. Galpern, born 1971, joined TZP Group in July 2008. Mr. Galpern serves a Partner, the Chief Compliance Officer and as a member of the Investment Committee of TZP Group. Mr. Galpern began his career in 1996 as a Mergers and Acquisitions Associate at Skadden, Arps, Slate, Meagher & Flom LLP. In 2000, Mr. Galpern joined TD Capital Communications Partners as an associate, becoming Vice President in 2002. At TD Capital Communications Partners, Mr. Galpern originated, executed and monitored private equity investments in the media, communications and business services industries. In 2003, Mr. Galpern joined CurtCo Media Labs, LLC as its Executive Vice President and then became its Chief Operating Officer. Mr. Galpern is a member of the Board of Directors of Media Storm, LLC, Lift Brands, Inc. and Children's Rights, Inc., as well as serves as a member of the Executive Committee of the Gotham Chapter of the Young Presidents Association. Mr. Galpern received his B.S. in Political Science from Washington University in 1993 and his J.D. from Fordham University School of Law in 1996.

Disciplinary History

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

Other Business Activities

Mr. Galpern is not engaged in any investment-related business outside of his roles with TZP Management and its affiliates.

Additional Compensation

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

Supervision

As a Partner of TZP Group, Mr. Galpern is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Galpern is not subject to the supervision of any other individual other than Samuel L. Katz.