

Capital Z Asset Management, LLC

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PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Capital Z Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 379-7288. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Capital Z Asset Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This brochure contains information about Capital Z Asset Management, LLC (“CZAM” or the “Company”) upon its initial application to register as an investment adviser with the SEC. In the future, this item will summarize the material changes, if any, made to this brochure as part of the Company’s annual update.

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Advisory Business

CZAM was formed in 2008 to serve as the investment manager to certain affiliated pooled investment vehicles (each a “Fund” or “Client” and collectively, the “Funds” or the “Clients”) that hold equity interests in general partner entities and management companies of private investment funds, which constitutes CZAM’s only business. CZAM is a limited liability company organized under the laws of Delaware and is primarily owned and controlled by certain owners and employees of the Sub-Adviser and certain private investment funds managed by Paine & Partners, LLC, which have indirect ownership through intermediary entities. After its acquisition by the aforesaid private investment funds, CZAM underwent a reorganization as a result of which CZAM entered into a written services agreement (the “Services Agreement”) with CZ Hedge Management, LLC (hereinafter referred to as the “Sub-Adviser”). Under the Services Agreement, CZAM appointed the Sub-Adviser to act as administrator and investment sub-manager to the Funds, whereby the Sub-Adviser is responsible for the day to day management of the Funds and for all investment activities of the Funds. CZAM’s limited activities are overseen by a board of directors (the “Board of Managers”).

As of March 31, 2014, regulatory assets under management totaled approximately \$252,238,000 all of which is managed on a discretionary basis by the Sub-Adviser.

Fees and Compensation

The Funds have separate classes of interests or units (each, a “Class”) of limited liability company interests with varying distribution rights. CZAM is entitled to receive an annual management fee from the Funds structured as a profits interest in the Funds entitling CZAM to 3% of the value of all of the classes of the Fund’s outstanding limited liability company units (“Management Profits Interests”). CZAM in turn pays the Sub-Adviser an annual fee pursuant to the Services Agreement.

In addition to the distributions of cash and other assets, the Funds pay their own operating expenses including, but not limited to, expenses related to the offering of interests, filings, administration and audit expenses, any and all fees for research and analytics, research materials and research-related travel and due diligence, interest on margin accounts, legal, accounting and professional fees, insurance costs, consulting fees, custodial fees, trustees fees, bank service fees, interest on loans and debit balances, any taxes applicable to the Funds on account of their operations and/or investments, and any and all expenses related to the management and operation of the Funds as well as the purchase, sale or transmittal of assets, as the Sub-Adviser shall determine in its discretion. The Funds are also responsible for organizational fees and expenses.

Performance Based Fees and Side-by-Side Management

CZAM does not receive compensation in the form of a performance based fee.

Types of Clients

CZAM’s only clients are the Funds. CZAM has entered into a Services Agreement with the Sub-Adviser to act as administrator and investment sub-manager to the Funds, whereby the Sub-Adviser is responsible for the day to day management of the Funds and for all investment activities of the Funds.

Methods of Analysis, Investment Strategies and Risk of Loss

The investment strategy of the Funds is to invest in diversified ownership interests in alternative asset managers through the provision of sponsorship capital.

Investing in the Funds involves a number of risks. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment

objective or that limited partners will receive a return on their capital. The description below is a brief overview of different material risks related to a Fund's investment strategy:

General Business and Management Risk: Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations, and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Funds will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company.

Liquidity Issues. The investments in portfolio companies selected for the Funds may be illiquid, due to transfer restrictions, the size of an interest held in a particular portfolio company or for other reasons. As a result, it may be necessary to hold these investments for an indefinite period of time. Generally, a less liquid investment bears more risk than a more liquid one. For example, if the Funds are unable to liquidate an investment as its value declines, the Funds will be unable to limit losses. Similarly, if the Funds are unable to liquidate an investment at a time when cash is needed, the Funds may miss other investment opportunities or be forced to sell other investments at unfavorable times.

Financial Services Sector Risk Factors: The portfolio companies that the Funds will invest in will be involved in the financial services industry. Companies involved in the financial services industry are affected by many factors including domestic and political conditions, trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services companies and may impact the value of financial instruments held by financial services companies.

The risks described above are not intended to serve as an exhaustive list or a comprehensive description of all risks that may arise in connection with the management and operation of the Funds. Investors should review the applicable Fund's governing documents to understand the risks and potential conflicts of interest.

Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this item.

Other Financial Industry Activities and Affiliations

CZAM has entered into a Services Agreement with the Sub-Adviser to the Funds. Under the Services Agreement, CZAM appointed the Sub-Adviser to act as administrator and investment

sub-manager to the Funds, whereby the Sub-Adviser is responsible for the day to day management of the Funds and for all investment activity of the Funds.

CZAM is affiliated with Paine & Partners, LLC (“P&P”), an investment manager to several affiliated private investment funds. Certain of the private funds managed by P&P have indirect ownership interests in CZAM and invest, through intermediaries, in the Funds managed by the Sub-Adviser.

CZAM is not registered nor does it have an application pending to register, as a broker-dealer.

CZAM is not registered nor does it have an application pending to register as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CZAM does not have any employees or supervised persons as responsibility for the day-to-day management and all investment activity of the Funds has been delegated to the Sub-Adviser pursuant to the Services Agreement. CZAM’s limited activities are overseen by its Board of Managers. Since CZAM does not have any supervised persons, CZAM has not adopted a Code of Ethics, which, pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, is intended to cover supervised persons.

Brokerage Practices

All portfolio management activities have been delegated to the Sub-Adviser pursuant to the Services Agreement.

Review of Accounts

All responsibilities with respect to the management, monitoring, and reporting on behalf of the Funds have been delegated to the Sub-Adviser pursuant to the Services Agreement.

Client Referrals and Other Compensation

CZAM does not receive any economic benefits from non-Clients in connection with the provision of investment advice to Clients.

Custody

CZAM does not have access to any Client assets as day to day management of Client assets has been delegated to the Sub-Adviser. However, CZAM may be deemed to have custody of the Funds’ accounts. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor in the Funds.

Investment Discretion

All discretionary investment management activities with respect to the Funds have been delegated to the Sub-Adviser pursuant to the Services Agreement.

Voting Client Securities

The Funds invest in private companies which do not issue proxies. However, in the event proxies have to be voted, CZAM has delegated all of its proxy voting responsibilities to the Sub-Adviser.

Financial Information

CZAM does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients, and it has not been subject to any bankruptcy proceeding during the past 10 years.