

TOWERBROOK

TowerBrook Capital Partners L.P.

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of TowerBrook Capital Partners L.P. (“TowerBrook” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (212)-699-2200. 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.

Additional information about TowerBrook is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

TowerBrook does not have any material changes to identify and discuss in this brochure.

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Advisory Business

TowerBrook is an investment management firm founded in March 2005 and organized under the laws of the State of Delaware as a limited partnership. The Firm is based in New York and London. TowerBrook, together with its related investment manager entities, provides investment advisory services to a number of private investment partnerships (each individually, a “Partnership” and, collectively, the “Partnerships”) that generally pursue control-oriented private equity and distressed debt investments in large and middle-market European and North American companies. As of March 31, 2015, TowerBrook managed approximately \$7.5 billion on a discretionary basis on behalf of the Partnerships. TowerBrook’s general partner and principal owner is TowerBrook Capital Partners, LLC a Delaware limited liability company that is controlled by and substantially owned by Neal Moszkowski and Ramez Sousou (the “Co-CEOs”).

Affiliates of TowerBrook serve as the general partners and direct investment managers to the Partnerships; however the investment management duties and responsibilities are performed by TowerBrook through investment advisory agreements. For a list of TowerBrook’s affiliated entities that serve as general partners and direct investment managers to existing Partnerships, please refer to the table in the “Other Financial Industry Activities and Affiliations” section below.

TowerBrook and its affiliated investment managers provide investment advice to the Partnerships and not individually to the limited partners of the Partnerships. As investment adviser, TowerBrook and its affiliated investment managers are primarily responsible for identifying investment opportunities for the Partnerships, effecting all investment transactions, monitoring and evaluating the Partnerships' investments, and making recommendations regarding the purchase and/or sale of investments. The assets of each Partnership are managed in accordance with the terms of the governing documents applicable to such Partnership.

The Firm may from time to time, consistent with the terms of the organizational documents of the Partnerships, pursue, on behalf of clients other than the Partnerships, various investment strategies and lines of business that vary from those pursued on behalf of the Partnerships.

Fees and Compensation

Each Partnership is governed by a limited partnership agreement ("LPA") that sets forth in detail the fee structure relevant to such Partnership. The terms of the LPAs are generally established during the fundraising period of the applicable Partnership.

Pursuant to a Partnership's LPA, an affiliate of TowerBrook is entitled to compensation for its services in the form of an annual management fee payable quarterly in advance by the Partnership. The management fees payable by the Partnerships vary, but are generally based on a percentage of a Partnership's capital commitments during the investment period, and thereafter based on a percentage of capital invested. As of the date of this brochure, the maximum asset based management fee payable by a Partnership is based on a rate of 2% per year.

TowerBrook affiliates, in their role as general partners of certain Partnerships, are eligible to receive a performance-based profit allocation, or carried interest, with respect to realized investments, which is generally determined as a percentage of profits derived from the disposition of investments (after taking into account expenses of the Partnership, including management fees, and following a preferred return to limited partners). If the performance-based carried interest results in an over distribution of the agreed upon amount of carried interest to the Partnership's general partner, the general partner is generally subject to an after-tax "claw back" arrangement. As of the date of this brochure, the maximum carried interest allocable to a general partner of a Partnership is 20% of the profits derived from the disposition of investments (after taking into account expenses of the Partnership, including management fees, and following a preferred return to limited partners of up to 8% per annum).

TowerBrook may also receive transaction fees, origination fees, monitoring fees, director fees and similar fees from a Partnership's portfolio companies, and break-up fees associated with investment opportunities that are not consummated (collectively, "Other Fees"). With respect to Partnerships that currently pay management fees to TowerBrook (or its affiliate), a percentage of the Other Fees (net of expenses) is applied to reduce the management fees, if any, payable by such Partnership. Further, for those Partnerships that currently pay management fees, the Other Fees that will reduce the management fees will be limited to the extent of such Partnership's proportionate interest (or intended proportionate interest) in the applicable portfolio company. The types of fees that constitute Other Fees may vary among the Partnerships. Detailed information regarding the types and amounts of Other Fees that may offset the management fees

otherwise payable by a Partnership is provided in the offering documents and/or organizational documents (including LPAs) of such Partnership.

In addition to management fees and performance-based carried interest as described above, the Partnerships pay or reimburse TowerBrook or its affiliated parties for certain fees, costs and expenses. Those fees, costs and expenses will vary from Partnership to Partnership, but typically will include (among others): all reasonable legal and other organizational and offering fees, costs and expenses incurred in the formation of a particular Partnership and related entities and the offering of the limited partner interests in a Partnership; fees, costs and expenses incurred in connection with the discovery, evaluation, acquisition or disposition of investments (whether or not consummated) and the holding or monitoring of investments, including, without limitation, private placement fees (other than fees paid to TowerBrook Financial (as defined below)), sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, mobile device and conference call fees, costs and service expenses, and legal, accounting, investment banking, advisory, consulting, information services and professional fees, costs and expenses; travel-related fees, costs and expenses (including transportation, meal, entertainment and lodging expenses) related to or arising from the sourcing, evaluation, acquisition, holding, monitoring or disposition of investments, including potential investments (which may include travel by way of private or non-commercial planes at rates not in excess of customary charter rates); fees, costs and expenses incurred in connection with the carrying or management of investments, including custodial, trustee, accounting, record keeping and other administration fees, as well as portfolio accounting and reporting system licenses and fees, portfolio company reporting system licenses and fees, and performance management system licenses and fees; expenses incurred in connection with any market data, relevant news or third-party research services and related terminals for the delivery of such services; fees, costs and expenses incurred in connection with the preparation and distribution of the Partnership's financial statements, tax returns, K-1s and other communications with the partners of a Partnership and the limited partner advisory board of a Partnership, including fees, costs and expenses incurred in connection with purchasing, licensing or leasing computer software and hardware for such uses, fees, costs and expenses incurred in connection with providing the partners of a Partnership access to a database or other forum hosted on a website designated by a Partnership and fees, costs and expenses incurred with investor webcasts; attorneys' and accountants' fees, costs, expenses and disbursements (including allocable compensation for in-house attorneys); taxes and other governmental charges levied against a Partnership; insurance premiums and expenses, including without limitation, for errors, omissions, fidelity, crime, general partner liability, directors' and officers' liability policies; regulatory and litigation fees, costs and expenses, and damages, including regulatory expenses of TowerBrook and its affiliates incurred in connection with the operation of a Partnership (including, without limitation, fees, costs and expenses related to the preparation and filing of Form PF and other similar U.S. and non-U.S. regulatory filings and fees, costs and expenses related to complying with the European Alternative Investment Fund Managers Directive, fees, costs and expenses related to complying with the reporting requirements of Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and certain regulations and other administrative guidance thereunder and, in each case, similar regulations and administrative requirements in other jurisdictions); fees, costs and expenses incurred in connection with any litigation or government inquiry, investigation, examination or proceeding involving a Partnership or any of its investors, including the amount of any judgment, settlements or fines; fees, costs and expenses associated with maintaining a

Partnership and any of its subsidiary entities, including fees, costs and expenses incurred in the organization, operation and restructuring of such subsidiary entities; (interest on, and fees, costs and expenses arising out of a Partnership's borrowings and indebtedness (including the fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of a Partnership; fees, costs and expenses incurred in connection with the dissolution, winding up or liquidation of a Partnership; fees, costs and expenses relating to defaults by partners of a Partnership in the payment of any capital contributions; out-of-pocket expenses for transactions that are not consummated; fees, costs and expenses incurred in connection with any restructuring or amendments to the constituent documents of a Partnership and related entities; fees, costs and expenses relating to transfers of partnership interests (and admission of a substitute partner) or a permitted withdrawal of a Partner (but only to the extent not paid or otherwise borne by the relevant transferring Partners of a Partnership and/or the assignee or the withdrawing Partner, as applicable); fees, costs and expenses incurred in connection with the formation of any alternative investment vehicles or special purpose investment vehicles to the extent permitted under a Partnership's organizational documents; fees, costs and expenses incurred with any indemnification obligations of a Partnership; fees, costs and expenses incurred in connection with distributions to the Partners of a Partnership; fees, costs and expenses incurred in connection with any meetings of Partners of a Partnership called by the general partner of a Partnership; fees, costs and expenses incurred in connection with any meetings of the limited partner advisory board of a Partnership called by the general partner of a Partnership; reasonable out-of-pocket expenses incurred by the members of the limited partner advisory board of a Partnership in connection with the fulfillment of their duties pursuant to the organizational documents of a Partnership (including transportation, meal, entertainment and lodging expenses); fees, costs and expenses incurred in connection with annual meetings called by the general partner of a Partnership for the chief executive officers and chief financial officers of a Partnership's portfolio companies; compensation and other similar expenses of consultants (including industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to a Partnership or its portfolio companies (including with respect to potential portfolio investments), including a Partnership's proportionate share of fees payable by TowerBrook to members of TowerBrook's Management Advisory Board and members of TowerBrook's Senior Advisory Board; fees, costs and expenses incurred in connection with transfers of interests by partners of a Partnership that are not otherwise borne by the applicable transferor or transferee; and fees, costs and expenses incurred in connection with the valuation of assets of a Partnership; any other fees, costs and expenses permitted by a Partnership's organizational and offering documents. This list is not intended to be exhaustive; prospective and existing limited partners are advised to review the applicable Partnership offering documents and organizational documents (including LPAs) for a more extensive description of the fees, costs and expenses associated with an investment in the Partnerships.

Investment vehicles owned by TowerBrook's investment professionals, employees and related persons may invest in certain Partnerships. Such persons, as well as certain co-investors and unrelated persons, may not pay management fees and/or be subject to performance based carried interest in connection with their investment in the Partnerships. In addition, certain special purpose Partnerships that invest alongside other Partnerships in all or certain investments may not pay management fees and/or be subject to performance based carried interest in connection with their investment in such special purpose Partnerships.

The general partner of a Partnership, in its sole discretion, may call capital for management fees and other expenses or pay such fees and expenses out of the Partnership's current income and from disposition of investments.

If any limited partner is participating in a co-investment alongside a Partnership (a "Co-Investor"), such Co-Investor will typically bear its pro rata share of fees, costs and expenses related to the sourcing, monitoring, investigation, development, acquisition or consummation, ownership, maintenance, hedging and disposing of the underlying co-investments. In the event that a Co-Investor participates in a co-investment through an investment vehicle or vehicles managed or advised by TowerBrook, the Co-Investor will generally bear its pro rata share of the aggregate organizational costs and expenses of such vehicles. With respect to a co-investment opportunity, TowerBrook endeavors to have each Co-Investor agree at the time it makes a binding commitment to participate in an investment that it will be responsible for its pro rata share of any fees, costs and expenses relating to such co-investment opportunity should the investment not be completed (a "Broken Deal"). In the event of a Broken Deal, all fees, costs and expenses relating to such Broken Deal generally are allocated as follows: (i) to the extent a Co-Investor has agreed to be responsible for its pro rata share of any fees, costs and expenses related to the Broken Deal, to the Co-Investor; (ii) to the extent a Co-Investor has not agreed to be responsible for its pro rata share of any fees, costs and expenses related to the Broken Deal, to the Partnerships on whose behalf TowerBrook evaluated and pursued the Broken Deal to the extent consistent with the terms of the LPAs of such Partnerships; and (iii) to the extent that fees, costs and expenses relating to a Broken Deal are not allocated to a Co-Investor or a Partnership pursuant to the foregoing clauses (i) and (ii) above, to TowerBrook. TowerBrook or any of its affiliates may (or may not) in their discretion (i) charge performance based carried interest, management fees or other similar fees to Co-Investors and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements.

Neither TowerBrook nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

In January 2015, certain affiliates of Wafra Strategic Investors L.P. (the "Investor") committed to provide funding to the Firm in exchange for the right to receive a 10% minority equity interest, including the right to participate in fee income and carried interest from the Partnerships and additional investment funds that the Firm may form in the future. The Investor will not participate in the investment process or the day-to-day management of the Firm, but will have certain minority rights in respect of entities that indirectly hold interests in the general partner and the managers of the Firm's investment funds, including the right to receive certain performance information related to the Firm's investment funds. Affiliates of the Investor may be limited partners in certain of the Firm's investment funds and may co-invest in certain investments made by the Firm's investment funds. As of December 31, 2014 and as of the date of this brochure, the Investor does not own any equity interest in the Firm.

Performance Based Fees and Side-by-Side Management

As described in the Fees and Compensation section above, the general partners of certain Partnerships are entitled to performance-based carried interest. Performance-based carried interest may create an incentive for TowerBrook to make investments on behalf of the Partnerships that are riskier or more speculative than would be the case in the absence of such carried interest. TowerBrook seeks to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to limited partners by way of capital calls distributed to the limited partners in advance of each investment and quarterly reports to the limited partners. Additionally, investment vehicles owned by TowerBrook's investment professionals invest in certain Partnerships in an effort to align TowerBrook's and such Partnerships' interests. Furthermore, the constituent documents of the Partnerships that provide for performance-based carried interest have after-tax "claw back" arrangements as described in the Fees and Compensation section above.

Although TowerBrook and its affiliates accept performance-based carried interest from some Partnerships, but not others, TowerBrook does not believe it faces conflicts of interest in this regard because the Partnerships that are not subject to performance-based carried interest are special purpose vehicles that do not make investments other than investments alongside other Partnerships that are subject to performance-based carried interest.

TowerBrook maintains policies and procedures relating to allocations of investment opportunities between or among the Partnerships, which policies and procedures provide, among other things, that a Partnership whose "investment period" (*i.e.*, the period during which a Partnership may make new investments) is ongoing and has not expired will have the first opportunity to invest in an investment opportunity that is within its investment parameters, subject in all cases to the provisions of the LPAs of the applicable Partnerships. In the event that TowerBrook were to pursue, on behalf of clients other than the Partnerships, various investment strategies and lines of business that vary from those pursued on behalf of the Partnerships, TowerBrook would adopt policies and procedures to address potential conflicts of interest, including allocation of investment opportunities.

The possibility exists that multiple Partnerships that do not, by their terms, invest together, may have capital available for investment at the same time (including in connection with a follow-on investment in, or add-on acquisition with respect to, a portfolio company of a Partnership). If an investment opportunity develops that is within the investment parameters of two or more Partnerships that do not, by their terms, invest together, TowerBrook addresses such conflicts by bringing them to the applicable Partnerships' advisory boards, which are comprised of representatives of the investors in such Partnerships. In such case, the applicable Partnerships' advisory boards will approve or disapprove of such co-investment and, if approved, TowerBrook will allocate the opportunity through a methodology determined by TowerBrook in consultation with the applicable Partnerships' advisory boards, subject in all cases to the applicable provisions of the LPAs of the applicable Partnerships.

TowerBrook has adopted guidelines governing co-investment opportunities pursuant to which TowerBrook may, to the extent it believes in its sole discretion that it is appropriate to do so, offer any limited partner of a Partnership or any third party the opportunity to co-invest in any

transaction in which a Partnership has made, or will make, an investment, subject in all cases (including with respect to the allocation of co-investments among potential co-investors) to the provisions of the LPA of the applicable Partnership, the terms of any side letter or other terms negotiated with a Partnership's limited partners with respect to the particular Partnership and the terms of TowerBrook's co-investment guidelines. Such guidelines set forth certain factors that TowerBrook may consider, based on the facts and circumstances of a potential investment, in determining whether or not to offer a co-investment opportunity to a potential co-investor. Such factors may include, but are not limited to, the jurisdiction in which the co-investor is based, any existing relationships between the co-investor and management of the relevant portfolio company or any other party relevant to the transaction, any relevant experience of the co-investor in the same industry or sector as the relevant portfolio company, or any other factors which TowerBrook deems relevant. The structure and terms of any co-investment opportunity to be offered by TowerBrook to any limited partner of a Partnership shall be determined by TowerBrook, subject to the restrictions, if any, set forth in the LPA of the relevant Partnership. TowerBrook or any of its affiliates may (or may not) in their discretion charge performance based carried interest, management fees or other similar fees to co-investors.

TowerBrook has obtained directors' and officers' insurance coverage for the Partnerships and certain of their respective affiliates from a portfolio company of certain of the Partnerships. Such insurance coverage was obtained on arms-length terms at the recommendation of an independent insurance advisor, and the premiums paid by TowerBrook or its affiliates for such insurance coverage are comparable to the premiums that would be paid by such persons had such relationship not existed. In addition, certain Partnerships have ownership interests in portfolio companies that may offer discounts on products or services to TowerBrook personnel. However, any such discounts are of a de minimis nature relative to the relevant portfolio companies' revenues and operations, and TowerBrook requires its personnel to provide TowerBrook with information regarding any such discounts received by such persons.

Types of Clients

TowerBrook and its affiliated investment managers provide advisory services to privately offered funds that generally pursue control-oriented private equity and distressed debt investments in large and middle-market European and North American companies.

Limited partners in the Partnerships may include, but are not limited to, high net worth individuals, pension plans, sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (*e.g.*, funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities. Investment advice is provided directly to the Partnerships and not individually to the limited partners.

Details concerning applicable limited partner suitability criteria are set forth in the respective Partnership's offering documents and subscription materials. Although TowerBrook and/or its affiliates have the authority to accept commitments for lesser amounts, the minimum commitment in the Partnerships is generally \$10 million. Each limited partner of a Partnership is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

TowerBrook and its affiliates may enter into separate agreements, commonly referred to as “side letters”, with certain limited partners with respect to the Partnerships which would have the effect of establishing rights under, altering, or supplementing the terms of the LPA of the applicable Partnership with respect to such limited partner, in a manner more favorable to such limited partner than those applicable to other limited partners in such Partnership. Such rights or terms pursuant to such agreements may include, without limitation, fee arrangements with respect to a limited partner, reporting obligations of TowerBrook, waiver of certain confidentiality obligations, consent of TowerBrook to certain transfers by a limited partner, or rights or terms necessary in light of particular legal, regulatory or tax characteristics of a limited partner.

Methods of Analysis, Investment Strategies and Risk of Loss

On behalf of the Partnerships, TowerBrook generally pursues control-oriented private equity or distressed debt investments in large and middle-market companies in Europe and North America, in partnership with experienced management teams. TowerBrook strives to control its investment risk by staging its capital commitments. TowerBrook usually requires the initial investment to have sufficient critical mass to survive as a stand-alone entity, but often seeks to identify one or more add-on acquisitions at the time of the initial investment. Investments primarily take the form of leveraged buy-outs, leveraged build-ups and distressed situations with a path to control.

TowerBrook pursues leveraged buyouts of fundamentally strong businesses in complex situations and collaborates with corporate sellers to identify divestiture candidates that are not appropriate for auction. The Firm attempts to identify fragmented industries with favorable economic fundamentals and long-term growth potential, where companies can be acquired at attractive valuations.

TowerBrook regards “distress” as a tactical opportunity to buy a viable business at an attractive valuation. TowerBrook targets fundamentally sound companies that are suffering from financial distress or a capital markets dislocation. These are generally difficult, highly complex and/or contrarian value investment opportunities. All potential targets should have sound business fundamentals, a compelling valuation and substantial upside opportunity.

TowerBrook’s investment strategy is based on two fundamental principles: (i) focused proprietary sourcing of investment opportunities; and (ii) a proactive, value-added approach to overseeing portfolio companies.

Proprietary Sourcing. TowerBrook generally avoids competitive auctions by seeking to source investment opportunities on a proprietary basis through its network of long-standing relationships and through targeting special situations that attract few or no competitors because of the complex or contrarian nature of the investment opportunity. TowerBrook proactively pursues proprietary opportunities by formulating and researching investment theses and initiating dialogue about potential acquisitions with the management teams or owners of prospective target companies. TowerBrook consults with third-party investment and industry experts to assist the Firm in identifying noncompetitive investment opportunities and developing a proprietary advantage when there is competition for investment opportunities. TowerBrook will also use

industry experts as part of its overall due diligence process to help evaluate the operational aspects of potential investments, existing portfolio companies, and the macro-economic environment to make informed investment decisions.

TowerBrook will develop a comprehensive understanding of an industry before committing to an opportunity. Although TowerBrook considers itself a generalist in terms of industry focus, it has built up substantial knowledge and expertise in the following industry sectors: Healthcare Products and Services, Retail, Luxury, Financial Services, Consumer Goods, Telecommunications, Media, Chemicals, Knowledge Services, and Selected Industrial Segments. TowerBrook seeks to leverage this experience by proactively looking for new opportunities in these sectors. In other sectors, TowerBrook will engage third-party industry experts to assist with industry and investment analysis.

When analyzing new opportunities, TowerBrook is rigorous in maintaining price discipline and looks wherever possible to structure downside protection into new investments, including use of vendor loan financing and earn-out structures. When suitable opportunities do not present themselves, TowerBrook refrains from putting money to work.

Overseeing Portfolio Companies. TowerBrook believes that the management teams of its portfolio companies are a key asset of any investment, and it will look wherever possible to strengthen the management team post-closing. TowerBrook collaborates with the management teams of portfolio companies to oversee the implementation of operational improvements.

Certain Associated Risks

All investing involves a risk of loss that investors should be prepared to bear. The descriptions contained below are a brief overview of different risks related to TowerBrook's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Partnerships. Investors should consider an investment in a Partnership as involving a high degree of financial risk and should therefore carefully consider all risk factors set forth in a Partnership's offering documents and organizational documents. Each prospective investor should carefully review the applicable Partnership's offering documents and organizational documents before deciding to make an investment in a Partnership.

General Business and Management Risk. Investments in portfolio companies subject the Partnerships 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 TowerBrook will monitor portfolio company performance, the management of each portfolio company will have day-to-day responsibility over such portfolio company.

Dependence on Key Personnel. The success of the Partnerships is highly dependent on the expertise and performance of TowerBrook's Managing Directors. There can be no assurance that the Managing Directors will continue to be associated with TowerBrook or any of its affiliates throughout the life of the Partnerships, as they are under no contractual obligation to remain with TowerBrook or any of its affiliates for all or any portion of the term of any Partnerships. The loss of the services of one or more of these individuals could have an adverse effect on the performance of the Partnerships.

Liquidity Issues. TowerBrook often invests in instruments where there is likely to be no actively traded market. Moreover, many of the Partnerships' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or of the asset, a Partnership may find it more difficult to sell such instruments when TowerBrook believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Partnership may be further limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms obtainable upon a disposition.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. TowerBrook faces competition for investments from a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. There can be no assurance that TowerBrook will be able to locate and complete investments which satisfy the investment objectives of the Partnerships or that it will be able to invest fully the Partnerships' capital.

Valuation of Assets. The securities owned by the Partnerships are required to be fairly valued by TowerBrook. When estimating fair value, TowerBrook will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of TowerBrook. Investors should review the Partnerships' LPAs, private placement memoranda and other governing documents to understand the risks and potential conflicts of interest that may arise in connection with valuation of assets.

No Assurance of Returns. There is no assurance that TowerBrook will be able to generate returns for limited partners, or that the Partnerships' investment objectives will be achieved, or that there will be any return of capital. Therefore, an investor should only invest in a Partnership if the investor can withstand a total loss of its investment. The past investment performance of the entities with which officers, partners and employees of TowerBrook have been associated cannot be taken to guarantee or indicate future results of any investment in the Partnerships, or in any other clients other than the Partnerships that may be formed by the Firm from time to time.

Nature of the Partnerships' Investments. A substantial portion of the Partnerships' investments will be in equity or equity-related investments that by their nature involve business,

financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Partnerships will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Valuations of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Partnerships' activities. As a result, the Partnerships' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Although TowerBrook intends for the Partnerships primarily to make control-oriented investments, the Partnerships may make minority equity investments in companies over which TowerBrook may have limited influence. Such a company may have economic or business interests or goals that are inconsistent with those of the Partnerships, and a Partnership may not be in a position to limit or otherwise protect the value of its investment in the company. The Partnerships' control over the investment policies of these companies may also be limited.

The Partnerships' investments may involve leveraged acquisitions, which by their nature may result in companies undertaking a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Utilization of leverage is a speculative investment technique and involves risks. The leverage provided will result in interest expense and other costs incurred in connection with such borrowings, which may not be covered by available cash flow. While leverage may enhance total returns, if investment results fail to cover borrowing costs, then returns will be lower than if there had been no borrowings.

The Partnerships may co-invest in a company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments in which a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Partnerships or may be in a position to take (or block) action in a manner contrary to the Partnerships' investment objectives. In addition, the Partnerships may, in certain circumstances, be liable for actions of its third-party co-investors or partners.

Middle-Market Companies. A component of TowerBrook's investment objectives is to invest in middle-market companies. While investments in middle-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets and financial resources and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for TowerBrook to react quickly to negative economic or political developments.

Portfolio Concentration. Although the constituent documents of the Partnerships may provide for limitations regarding the amount of aggregate capital commitments that may be invested in a single portfolio company of a particular Partnership, diversification is not a requirement of the Partnerships. The Partnerships' portfolios may include a small number of large positions. If the Partnerships' investments are concentrated in a few issuers or industries, any adverse change in one or more of such issuers or industries could have a material adverse effect on a particular Partnership's investments. Therefore, while any potential portfolio concentration may enhance total returns to the partners of a particular Partnership, if any large position has a material loss returns to partners of a particular Partnership may be lower than if they had invested in a diversified portfolio.

Foreign Investments. Although TowerBrook intends for the Partnerships to invest primarily in companies headquartered in North America and Europe, the Partnerships may from time to time invest in indebtedness or securities of companies headquartered elsewhere. Investing outside the United States may involve greater risks than investing in the United States. In particular, the value of a Partnership's investments in foreign securities may be significantly affected by changes in currency exchange rates, which may be volatile. Although TowerBrook may attempt to hedge against foreign currency exchange rate risks by utilizing spot and forward foreign exchange contracts, foreign currency options or other instruments, there can be no assurance that TowerBrook will be able to do so successfully or cost-effectively, and may decide not to hedge against such risks or to do so only incompletely. Additional risks include: (i) risks of economic dislocations in the host country; (ii) less publicly available information; (iii) less well developed regulatory institutions; and (iv) greater difficulty of enforcing legal rights in a foreign jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Additionally, in some countries outside the U.S. and Western Europe, there is the possibility of expropriation of value, including through confiscatory taxation, limitations on the repatriation or sale of securities, property or other assets of the Partnerships, political or social instability or diplomatic developments, each of which could have an adverse effect on the Partnerships' investments in such foreign countries. While TowerBrook will take these factors into consideration in making investment decisions for the Partnerships, no assurance can be given that TowerBrook will be able to evaluate these risks accurately.

Provision of Managerial Assistance and Control; Board Participation. TowerBrook typically will designate directors (and non-executive chairpersons) to serve on the boards of directors of the Partnerships' portfolio companies. The designation of directors and other measures contemplated could expose the assets of a Partnership to claims by a portfolio company, its security holders and its creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability which the limited liability characteristic of business operations usually ignores. If these liabilities were to occur, a Partnership could suffer losses in its investments. While TowerBrook intends to manage the Partnerships in a way that will seek to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Although such board positions in certain circumstances may be important to a Partnership's investment strategy and may enhance TowerBrook's ability to manage investments, they may also have the effect of impairing TowerBrook's ability to sell the related securities when, and upon the terms, it may otherwise desire and may subject TowerBrook and the applicable Partnership(s) to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the applicable Partnership will indemnify TowerBrook from such claims.

Other Investment Activities. TowerBrook may from time to time, consistent with the terms of the LPAs of the Partnerships, pursue, on behalf of clients other than the Partnerships, various investment strategies and lines of business that vary from those pursued on behalf of the Partnerships. In connection with the launch of any such different investment strategies and lines of business, TowerBrook would adopt policies and procedures to address potential conflicts of interest, including allocation of investment opportunities.

Disciplinary Information

There are no legal or disciplinary events that are material to a client's, prospective client's, investor's or prospective investor's evaluation of TowerBrook's advisory business or the integrity of TowerBrook's management.

Other Financial Industry Activities and Affiliations

TowerBrook Financial, L.P. ("TowerBrook Financial"), an affiliate of TowerBrook, is registered with the SEC as a broker-dealer and is a member of the United States Financial Industry Regulatory Authority. The primary purpose of TowerBrook Financial is to provide private placement services to TowerBrook in connection with certain Partnerships established by TowerBrook from time to time. TowerBrook Financial is a subsidiary of TowerBrook Financial LP, LLC and TowerBrook Financial GP, LLC, which are both wholly-owned subsidiaries of TowerBrook. Certain partners, employees and consultants of TowerBrook are also registered representatives of TowerBrook Financial. As TowerBrook does not trade in specific securities through TowerBrook Financial for its client accounts, there is not anticipated to be any conflict of interest. TowerBrook Financial receives a monthly services fee from TowerBrook (and not the Partnerships), which is calculated on a "cost plus" basis. TowerBrook Financial does not receive commissions or any other remuneration directly related to the solicitation of investors in the Partnerships.

A number of entities affiliated with TowerBrook serve as general partners and direct investment managers to the Partnerships. Each direct investment manager has entered into an investment advisory agreement with TowerBrook which provides that TowerBrook will supply investment advisory services. The Partnerships and affiliated general partner and investment manager entities existing as of the date of this brochure are identified in the following chart. Each investment manager entity is deemed to be an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") because each such investment manager entity is an affiliate of TowerBrook and is subject to TowerBrook's supervision and control for compliance purposes. Consequently, each investment manager entity is a "relying adviser" of TowerBrook in reliance upon the SEC's Staff's No-Action Letter to the

American Bar Association dated January 18, 2012 (the “2012 NAL”). In addition, each general partner entity is a “related person” of TowerBrook and a special purpose vehicle formed to act as the general partner of certain Partnerships. In reliance on the 2012 NAL, each such related person is covered by TowerBrook’s registration as an investment adviser with the SEC and deemed to be registered with the SEC.

Affiliated Entity	Relationship to Partnership
TowerBrook Investors GP II, L.P.	Serves as general partner to TowerBrook Investors II, L.P., TowerBrook Investors II Executive Fund, L.P., TowerBrook Investors II AIV, L.P. and TowerBrook II Co-Investors, L.P.
TowerBrook Investors GP III, L.P.	Serves as general partner to TowerBrook Investors III, L.P. and TowerBrook Investors III Executive Fund, L.P.
TowerBrook Investors GP III (Parallel), L.P.	Serves as general partner to TowerBrook Investors III (Parallel), L.P.
TowerBrook Capital Partners Special II, L.P.	Serves as investment manager to TowerBrook Investors II, L.P., TowerBrook Investors II Executive Fund, L.P., TowerBrook Investors II AIV, L.P. and TowerBrook II Co-Investors, L.P.
TowerBrook Capital Partners Special III, L.P.	Serves as investment manager to TowerBrook Investors III, L.P., TowerBrook Investors III (Parallel), L.P. and TowerBrook Investors III Executive Fund, L.P.
TowerBrook Investors GP IV, L.P.	Serves as general partner to TowerBrook Investors IV (Onshore), L.P. and TowerBrook Investors IV Executive Fund, L.P.
TowerBrook Investors GP IV (Alberta), L.P.	Serves as general partner to TowerBrook Investors IV (OS), L.P. and TowerBrook Investors IV (892), L.P.
TowerBrook Capital Partners Special IV, L.P.	Serves as investment manager to TowerBrook Investors IV (Onshore), L.P., TowerBrook Investors IV Executive Fund, L.P., TowerBrook Investors IV (OS), L.P. and TowerBrook Investors IV (892), L.P.

TowerBrook or its affiliates may have a material investment in the Partnerships, and therefore, may be considered to participate indirectly in transactions effected for those clients. Additional information regarding the foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Partnership’s offering documents and/or organizational documents.

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

TowerBrook has adopted a Code of Ethics pursuant to the Investment Advisers Act which expresses the Firm's operating principles of integrity, honesty and fiduciary duties that we owe our clients. The Code of Ethics sets forth a standard of business conduct expected of all of TowerBrook's partners and employees as well as policies and procedures that each partner and employee must follow to prevent activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct.

TowerBrook maintains records of all discretionary personal securities accounts of its partners and employees in an effort to monitor all such personal investment activity. All such persons are restricted from purchasing or selling securities that are held in Partnership accounts or being considered for purchase or sale in Partnership accounts. TowerBrook's Code of Ethics is available for review and will be provided to any client, limited partner, or prospective client or limited partner upon request.

TowerBrook's general partner entities and certain TowerBrook personnel invest some of their personal assets in the Partnerships, and therefore hold indirect interests in the same underlying securities as other limited partners in the Partnerships. Therefore, there may be an incentive to allocate investments in the Partnerships in a way that favors TowerBrook and its personnel. To mitigate this risk, TowerBrook has adopted portfolio management controls and procedures that are designed to ensure that all allocations of investment opportunities within the investment objectives of the Partnerships are made in the best interests of the Partnerships.

In addition, TowerBrook partners and employees may be permitted to co-invest in securities of a portfolio company in which a Partnership has invested. Any such proposed co-investment by an employee would require permission from TowerBrook.

TowerBrook may also arrange for a transaction between certain clients in which one client buys a security from, or sells a security to, the account of another client (a "cross transaction") when TowerBrook deems the transaction to be in the best interest of each participating client (including for rebalancing as provided for in the governing documents for applicable clients). In doing so, TowerBrook may (i) use an unaffiliated broker-dealer or custodian to execute such cross-transaction and may pay such broker-dealer or custodian to do so or (ii) execute a cross transaction directly without the use of a broker-dealer or custodian, in which case TowerBrook will not receive compensation to effect such transaction. TowerBrook will ensure that the compensation paid to a broker-dealer to execute a cross transaction is reasonable and commensurate with the level of services being provided. Any such compensation or other transaction costs associated with a cross transaction will be divided among the participants based upon the expenses that relate to each party involved in the cross transaction. When effecting cross transactions between clients, TowerBrook may have conflicting responsibilities with respect to each participating client. In certain circumstances a cross transaction may be considered to be a "principal transaction" (*i.e.*, where TowerBrook is acting as principal for its own account and TowerBrook knowingly transacts with a client) under the Advisers Act. To the extent that any such cross transaction may be viewed as a principal transaction TowerBrook will

conduct such transaction in accordance with the provisions of Section 206(3) of the Advisers Act. In addition, any cross transaction is subject to any limited partner advisory board consultation or approval that may be required under the governing documents of the applicable Partnerships.

In addition, TowerBrook may conduct a number of activities to address, monitor and manage such potential conflicts. Various members of TowerBrook's Legal Department would be involved in oversight, review and approval of cross transactions in a number of ways depending on the context of such cross transactions.

Brokerage Practices

TowerBrook generally focuses on making investments in privately held securities, thus the Firm does not ordinarily deal with any financial intermediary such as a broker-dealer, and brokerage commissions are not ordinarily payable in connection with such investments. However, to the extent that TowerBrook transacts in public securities or indebtedness, the Firm is authorized, without limitation, to determine the broker or dealer to be used for each securities transaction of debt trade for the Partnerships and to determine the transaction fee (commission rates) paid. In placing orders, TowerBrook seeks the most favorable execution terms reasonably available given the specific circumstances of each trade. TowerBrook considers a variety of factors when determining where to direct brokerage transactions, including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the expertise to execute difficult securities, including the ability to find liquidity; (iii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery, and frequency of errors), taking into account the size of order and difficulty of execution; (iv) the overall reputation, integrity, and ability to maintain anonymity; and (v) the quality of research ideas and assistance with trading strategy.

Although TowerBrook will seek competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services. As discussed in greater detail under "Client Referrals and Other Compensation" below, TowerBrook Financial may provide certain specialized services in its capacity as a broker-dealer with respect to portfolio companies of the Partnerships.

TowerBrook does not enter into soft dollar arrangements or receive soft dollar credits from brokers. However, TowerBrook may receive proprietary research from broker-dealers used to execute securities transactions. To the best of TowerBrook's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. TowerBrook does not separately compensate such broker-dealers for the research and does not pay higher transaction costs to receive such services. These bundled services are made available to TowerBrook on an unsolicited basis and without regard to the rates of commissions charged or paid by the Partnerships or the volume of business that the Firm directs to such broker-dealers. Nonetheless, TowerBrook may have an incentive to select a broker based on its interest in receiving the research or other products or services offered by such broker, rather than on the Partnerships' interests in receiving most favorable execution.

Review of Accounts

TowerBrook representatives serve on the investment committee and portfolio committee for the general partners of the Partnerships. These committees are comprised of the Co-CEOs of TowerBrook and at least five Managing Directors of TowerBrook. The investment committees have exclusive decision-making authority with regard to the acquisition and disposition of investments. The portfolio committees monitor the operations and results of portfolio companies and generally meet on a monthly basis. In addition, TowerBrook's Chief Compliance Officer and members of the legal team periodically monitor the Partnerships' portfolios for compliance with investment restrictions and portfolio mandates.

The Partnerships provide quarterly reports to limited partners that provide transaction and investment highlights as well as a detailed review of the operating performance and recent developments in the portfolio companies. The Partnerships also provide limited partners with audited financial statements prepared in accordance with generally accepted accounting principles and K-1's (if applicable) on an annual basis. In addition, the Partnerships provide limited partners with unaudited account statements quarterly.

Client Referrals and Other Compensation

During a fundraising cycle for a Partnership, TowerBrook may compensate TowerBrook Financial and other placement agents who introduce new limited partners that commit capital. The amount paid to unrelated placement agents is structured as a percentage of the capital raised. TowerBrook or its affiliates may charge the Partnerships for such placement fees paid to unrelated placement agents or otherwise cause the Partnerships to pay such fees; however, all such fees due to placement agents by the Partnerships will reduce the management fee otherwise payable by the limited partners by an identical amount. TowerBrook Financial is compensated on a "cost plus" basis by TowerBrook, however, such fee will not be paid, directly or indirectly, by a Partnership.

As described under "Fees and Compensation" above, TowerBrook or its affiliates may charge or receive from portfolio companies Other Fees. A percentage of such Other Fees paid by portfolio companies that are received by TowerBrook or any of its affiliates will be applied to reduce the management fee (if any) otherwise payable by a Partnership. Other Fees may include compensation due to partners or employees of TowerBrook serving on the boards of directors of portfolio companies, however, Other Fees do not include compensation due to members of TowerBrook's Management Advisory Board, members of TowerBrook's Senior Advisory Boards or other consultants, in each case, serving on the boards of directors of portfolio companies of the Partnerships.

TowerBrook Financial may from time to time participate in underwriting syndicates with respect to portfolio companies or may otherwise be involved in the private placement of debt or equity securities issued by portfolio companies, or otherwise in arranging financing for portfolio companies. Subject to applicable law, TowerBrook Financial may receive underwriting fees, placement commissions or other compensation with respect to such activities, which are not required to be shared with any Partnership (and which are not considered Other Fees). If TowerBrook Financial or its affiliate serves as underwriter with respect to a portfolio company's

securities, the applicable Partnership may be subject to a “lock-up” period following the offering under applicable regulations during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice the applicable Partnership’s ability to dispose of such securities at an opportune time.

Custody

An adviser has custody if it acts in any capacity that gives the adviser legal ownership of, or access to, client funds or securities. Hence, TowerBrook has custody of Partnership assets because it or one of its affiliates either (i) acts as general partner of a Partnership with the authority to dispose of funds and securities in such Partnership’s accounts or (ii) is deemed to have custody because of its ability to withdraw its fees directly from the Partnerships. TowerBrook maintains the majority of Partnership assets at unaffiliated broker/dealers, banks, or ISDA counterparties, all of whom are qualified custodians, as that term is defined under the custody rule under the Investment Advisers Act. Certain privately offered, non-certificated investments such as bank debt and swaps are not maintained at a qualified custodian in accordance with the private securities exemption of the custody rule.

In lieu of providing limited partners with quarterly custodial reports, TowerBrook ensures that the Partnerships are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 90 days, or in the case of certain Partnerships, 75 days, of the applicable Partnership’s fiscal year end.

Investment Discretion

TowerBrook, with its affiliated general partner and investment manager entities, has complete discretionary authority with regard to the acquisition and disposition of investments without obtaining specific consent from the limited partners. Any limitations on such authority are included in each Partnership’s offering documents and/or organizational documents.

Voting Client Securities

Most of the portfolio companies held by the Partnerships are private companies which typically do not issue proxies. However, if TowerBrook is requested to vote on certain proposals, amendments, consents, or resolutions (*i.e.*, “proxies”) on behalf of a Partnership, TowerBrook has adopted proxy voting policies and procedures, and shall be responsible for voting proxies on behalf of the Partnerships in a way that it believes will maximize shareholder value. In exercising its voting discretion, TowerBrook, its partners and its employees will attempt to avoid any direct or indirect conflict of interest raised by such voting decision. A number of TowerBrook’s investment professionals serve as directors of the Partnerships’ portfolio companies. In situations where TowerBrook votes the proxy for a company in which a member of the Firm serves on the board of directors, TowerBrook has determined that such board composition does not inherently present a conflict of interest as the purpose for serving on the

board is to maximize the return on the Partnership's investment and to ensure that the Partnership's interests are protected.

A copy of TowerBrook's written proxy voting policies and procedures, as well as specific information about how TowerBrook has voted on a specific matter will be provided to limited partners upon written request to TowerBrook.

Financial Information

TowerBrook has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Requirements for State-Registered Advisers

Not applicable.