

INVESTMENT ADVISER BROCHURE

TZP MANAGEMENT ASSOCIATES, LLC

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October 26, 2018

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”), and its Relying Advisers, TZP Fund Manager II LP, TZP Fund Manager III LP, and TZP Small Cap Fund Manager I LP (collectively, “the Advisers”). 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.

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MATERIAL CHANGES

This Brochure is an other than annual update and has been revised since the version dated March 31, 2018 to reflect disclosures regarding the name change of TZP Growth Partners I, L.P., and the fund family's affiliated entities. The following name changes have taken effect June 21, 2018.

- a. TZP Growth Partners I, L.P. to TZP Small Cap Partners I, L.P.
- b. TZP Growth Partners I-A (Blocker), L.P. to TZP Small Cap Partners I-A (Blocker), L.P.
- c. TZP Growth Fund Manager, L.P. to TZP Small Cap Fund Manager I, L.P.
- d. TZP Growth Partners GP I, L.P. to TZP Small Cap Partners GP I, L.P.
- e. TZP Growth Partners GP I, LLC to TZP Small Cap Partners GP I, LLC

There were no material changes to the organizational documents of the above entities beyond the name change.

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 \$1.512 billion in private fund assets. TZP Group commenced operations in March 2007.

TZP Management, a registered investment adviser, and its affiliated investment advisers, TZP Capital Partners GP I, LLC ("**TZP Capital Fund I GP**"), TZP Capital Partners GP II, ("**TZP Capital Fund II GP**"), TZP Capital Partners GP III, L.P. ("**TZP Capital Fund III GP**"), TZP Small Cap Partners GP I, L.P. ("**TZP Small Cap Fund I GP**", together with TZP Capital Fund I GP, TZP Capital Fund II GP, TZP Capital Fund III GP, the "**General Partners**"), TZP Fund Manager II, L.P. ("**TZP Capital Fund II Manager**"), TZP Fund Manager III, L.P. ("**TZP Capital Fund III Manager**"), and TZP Small Cap Fund Manager I, L.P. ("**TZP Small Cap Fund I Manager**", together with TZP Capital Fund II Manager, TZP Capital Fund III Manager and 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.

TZP Capital Fund I GP has delegated the management of the business and affairs of TZP Capital Fund I to TZP Management. TZP Capital Fund II GP has delegated the management of the business and affairs of TZP Capital Fund II to TZP Capital Fund II Manager, TZP Small Cap Fund I GP has delegated the management of the business and affairs of TZP Small Cap Fund I to TZP Small Cap Fund I Manager, TZP Capital Fund III GP has delegated the management of the business and affairs of TZP Capital Fund III to TZP Capital Fund III Manager. TZP Management in turn performs such management on behalf of TZP Capital Fund II Manager, TZP Capital Fund III Manager and TZP Small Cap Fund I Manager. (See below for a list of TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III and TZP Small Cap Fund I funds; TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III, TZP Small Fund I and any future private investment fund managed by TZP Management, each a "**Fund**," and collectively, the "**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, including Limited Partners serving on the Board of Advisors with respect to the related Fund, are referred to herein as “**Affiliated Partners**” of the Fund.

The Funds are private equity funds and invest through negotiated transactions in operating entities generally referred to herein as “**portfolio companies**.” TZP Management’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, 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, including TZP Management’s personnel and/or certain other persons associated with TZP Management and/or its affiliates (to the extent not prohibited by the applicable Limited Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a 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 Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-invest vehicle may be charged interest on the purchase (or the purchase price may otherwise be equitably adjusted under certain conditions) to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

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

Additionally, TZP Capital Fund I GP is the general partner of the following alternative investment vehicles (the “**TZP Capital Fund I Alternative Investment Vehicles**”), which were formed for the purpose of investing in certain portfolio company investments of TZP Capital Main Fund I. The TZP Capital Fund I Alternative Investment Vehicles, together with TZP Capital Main Fund I, TZP Capital Fund I PIV, any feeder vehicles, other alternative investment vehicles and special purpose entities are collectively referred to herein as “**TZP Capital 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 SP (AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I SP (PIV-AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I T5 (AIV), L.P., a Delaware limited partnership
- TZP Capital Partners I T5 (PIV-AIV), L.P., a Delaware limited partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to “TZP Capital 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, TZP Capital Fund I GP is the manager of each of the following co-investment funds (collectively, the “**TZP Capital Fund I Co-Investment Vehicles**”), which were formed for the purpose of investing with TZP Capital Fund I in certain portfolio company investments of TZP Capital Fund I at the same time and on the same terms on a pro rata basis based on relative commitment sizes of TZP Capital Fund I and the relevant TZP Capital Fund I Co-Investment Vehicles.

- MS Investment Vehicle LLC, a Delaware limited liability company
- SP Investment Vehicle, LLC, a Delaware limited liability company
- T5 Investment Vehicle, LLC, a Delaware limited liability company

TZP Capital Fund II GP, a Delaware limited partnership, is the general partner of the following private investment funds:

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

Additionally, TZP Capital Fund II GP is the general partner of the following alternative investment vehicles (the “**TZP Capital Fund II Alternative Investment Vehicles**”), which were formed for the purpose of investing in a certain portfolio company investment of TZP Capital Main Fund II. The TZP Capital Fund II Alternative Investment Vehicles, together with TZP Capital Main Fund II, TZP Capital Fund II-A (Blocker), any feeder vehicles, other alternative investment vehicles and special purpose entities are collectively referred to herein as “**TZP Capital Fund II.**”

- Spartacus Cayman AIV-A, L.P. , LLC, a Cayman Islands Exempt Limited Partnership
- Spartacus Cayman AIV-B, L.P. , LLC, a Cayman Islands Exempt Limited Partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to “TZP Capital 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, TZP Capital Fund II GP is the manager of each of the following co-investment funds (collectively, the **"TZP Capital Fund II Co-Investment Vehicles"**), which were formed for the purpose of investing with TZP Capital Fund II in certain portfolio company investments of TZP Capital Fund II at the same time and on the same terms on a pro rata basis based on relative commitment sizes of TZP Capital Fund II and the relevant TZP Capital Fund II Co-Investment Vehicles.

- Snap Investments, LLC, a Delaware limited liability company
- GES Investments Holdings, LLC, a Delaware limited liability company
- Spartacus Investments, Ltd., a Cayman Islands Exempted Company
- Pyramid Investors, LLC, a Delaware limited liability company
- Kingsbridge Holding Aggregator, LLC, a Delaware limited liability company
- Hylan Investor Holdings Group, LLC, a Delaware limited liability company

TZP Capital Fund III GP, a Delaware limited partnership, is the general partner of the following private investment funds:

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

Additionally, in the future, TZP Capital Fund III GP may serve as the general partner of one or more alternative investment vehicles (any such vehicle, the **"TZP Capital Fund III Alternative Investment Vehicles"**), which would be formed for the purpose of investing in a certain portfolio company investment of TZP Capital Main Fund III. The TZP Capital Fund III Alternative Investment Vehicles, together with TZP Capital Main Fund III, TZP Capital Fund III-A (Blocker), any feeder vehicles, other alternative investment vehicles and special purpose entities are collectively referred to herein as **"TZP Capital Fund III."**

For the sake of clarity, unless otherwise indicated, references in this Brochure to "TZP Capital Fund III" 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, TZP Capital Fund III GP may serve as the manager of one or more co-investment funds (collectively, the **"TZP Capital Fund III Co-Investment Vehicles"**), which would be formed for the purpose of investing with TZP Capital Fund III in certain portfolio company investments of TZP Capital Fund III at the same time and on the same terms on a pro rata basis based on relative commitment sizes of TZP Capital Fund III and the relevant TZP Capital Fund III Co-Investment Vehicles.

TZP Small Cap Fund I 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, “**TZP Small Cap Fund I**”):

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

For the sake of clarity, unless otherwise indicated, references in this Brochure to “TZP Small Cap 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, TZP Small Cap Fund I GP is the manager of the following co-investment fund (the “**TZP Small Cap Fund I Co-Investment Vehicles**”), which were formed for the purpose of investing with TZP Small Cap Fund I in certain portfolio company investments of TZP Small Cap Fund I at the same time and on the same terms on a pro rata basis based on relative commitment sizes of TZP Small Cap Fund I and the relevant TZP Small Cap Fund I Co-Investment Vehicles.

- FEG Investment Holdings, LLC, a Delaware limited liability company
- TOH Investment Holdings, LLC, a Delaware limited liability company

TZP Management’s advisory services for the 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 Fund 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 (“**Side Letters**”) with certain investors that have the effect of establishing rights under or altering or supplementing the applicable Limited Partnership Agreements.

As of December 31, 2017, TZP Management managed approximately \$1.512 billion 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, TZP Capital Fund II Manager’s, TZP Capital Fund III Manager’s, and TZP Small Cap Fund I 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. In addition, TZP Management may receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain expenses, as described below.

MANAGEMENT FEES

TZP Capital Fund I

TZP Capital 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 TZP Capital Fund I.

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 TZP Capital 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 TZP Capital Fund I; moreover, any such reduction of TZP Capital Fund I's Management Fee will be limited to the extent of TZP Capital 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).

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

TZP Capital Fund I Co-Investment Vehicles

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

TZP Capital Fund II

TZP Capital Fund II pays TZP Capital 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 TZP Capital Fund II commitment period and (b) the date the General Partner or an Affiliate commences receiving or accruing management fees with respect to any Additional Fund with investment objectives substantially similar to those of TZP Capital 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.

TZP Capital Fund II Manager is entitled to waive Management Fees in exchange for deemed contributions to be funded by the Limited Partners (other than Affiliated Partners) pro rata based on their respective commitments. TZP Capital Fund II Manager (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the Limited Partners with respect to deemed contributions, but solely out of profits from portfolio investments. For any Management Fees that are waived by TZP Capital Fund II Manager, such waived Management Fees will not be 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 TZP Capital Fund II, resulting in an additional benefit to TZP Management.

TZP Capital Fund II Manager has the right to contract for and receive Supplemental Fees in connection with the activities of TZP Capital 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 TZP Capital Fund II; moreover, any such reduction of TZP Capital Fund II's Management Fee will be limited to the extent of TZP Capital 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).

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

TZP Capital Fund II Co-Investment Vehicles

TZP Capital Fund II Co-Investment Vehicles do not pay a Management Fee.

TZP Small Cap Fund I

TZP Small Cap Fund I pays TZP Small Cap Fund I 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 TZP Small Cap Fund I commitment period and (b) the date the General Partner or an Affiliate commences receiving or accruing management fees with respect to any Additional Fund with investment objectives substantially similar to those of TZP Small Cap Fund I (i.e., TZP Small Cap Partners II, L.P.). 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.

TZP Small Cap Fund I Manager is entitled to waive Management Fees in exchange for deemed contributions to be funded by the Limited Partners (other than Affiliated Partners) pro rata based on their respective commitments. TZP Small Cap Fund I Manager (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the Limited Partners with respect to deemed contributions, but solely out of profits from portfolio investments. For any Management Fees that are waived by TZP Small Cap Fund I Manager, such waived Management Fees will not be 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 TZP Small Cap Fund I, resulting in an additional benefit to TZP Management.

TZP Small Cap Fund I Manager has the right to contract for and receive Supplemental Fees in connection with the activities of TZP Small Cap Fund I; 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 TZP Small Cap Fund I; moreover, any such reduction of TZP Small Cap Fund I's Management Fee will be limited to the extent of TZP Small Cap 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).

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

TZP Small Cap Fund I Co-Investment Vehicles

TZP Small Cap Fund I Co-Investment Vehicles does not pay a Management Fee.

TZP Capital Fund III

Commencing with the Effective Date (as defined in TZP Capital Fund III's Limited Partnership Agreement), TZP Capital Fund III will pay TZP Capital Fund III 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 TZP Capital Fund III commitment period and (b) the date the TZP Management or an Affiliate commences receiving or accruing management fees with respect to any Additional Fund with investment objectives substantially similar to those of TZP Capital Fund III. 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.

TZP Capital Fund III Manager is entitled to waive Management Fees in exchange for deemed contributions to be funded by the Limited Partners (other than Affiliated Partners) pro rata based on their respective commitments. TZP Capital Fund III Manager (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the Limited Partners with respect to deemed contributions, but solely out of profits from portfolio investments. For any Management Fees that are waived by TZP Capital Fund III Manager, such waived Management Fees will not be 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 TZP Capital Fund III, resulting in an additional benefit to TZP Management.

TZP Capital Fund III Manager has the right to contract for and receive Supplemental Fees in connection with the activities of TZP Capital Fund III; 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 with respect to the applicable Portfolio Company or proposed Portfolio Company) of 100% of any such Supplemental Fees (including, to the extent that the General Partner elects in its sole discretion, amounts expected to be received in respect of such fees) shall be applied, net of applicable expenses (without duplication), to reduce any unpaid future Management Fee payable by TZP Capital Fund III (but not below zero); moreover, any such reduction of TZP Capital Fund III's Management Fee will be limited to the extent of TZP Capital Fund III'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).

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

OTHER INFORMATION

TZP Management is permitted to exempt Affiliated Partners (as defined above) in the Funds from payment of all or a portion of Management Fees and/or Carried Interest (as defined below). For example, in instances where a TZP Management professional (or an affiliated entity thereof) invests in a Fund, or serves on the Board of Advisors, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Limited Partnership Agreement, certain Advisers have the right to permit Affiliated Partners, to invest through TZP Alternative Investment Vehicles that do not bear Management Fees or carried interest.

The Funds generally 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 and Limited Partners generally are not permitted to withdraw or redeem interests in the Funds.

In addition to the Management Fee and Carried Interest, the Funds bear certain expenses, including all legal, organizational, and offering expenses incurred in connection with the offering of interests in the Funds or any parallel investment vehicles, as defined in the Funds' Limited Partnership Agreements. As further set forth in their Limited Partnership Agreements, the Funds bear all expenses relating to the Funds' activities, investments and business to the extent not reimbursed by portfolio companies, including legal, accounting, third-party administration expenses, auditing, investment banking, travel, printing, consulting, research, brokerage, finder's fees, custody, transfer, government and registration, insurance, advisory board, interest, including costs related to the use of credit facilities, 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 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."

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest.

As described above, in certain circumstances, the relevant General Partner may permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to TZP Management's related policies and the relevant Limited Partnership Agreement(s) and/or Side Letter(s) or similar arrangements. Where a co-investment entity is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgement of the relevant General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle may bear its share of such Broken Deal Expenses at the discretion of the General Partner.

As a matter of practice, 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 Funds, on the one hand, and TZP Management and/or its affiliates on the other hand. Moreover, from time to time, TZP Management is also paid such fees from, on behalf of or with respect to co-investors in an investment. The receipt of such fees from, on behalf of or with respect to any such co-investors will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which may be significant. The receipt of such fees may give rise to conflicts of interest between the Funds, on the one hand, and TZP Management and/or its affiliates on the other hand. Moreover, the receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors.

Additionally, as further described below and in the applicable Private Placement Memorandum and Limited Partnership Agreement of each Fund, TZP Management may from time to time retain certain consultants to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such consultants generally receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee.

In addition, TZP Management and/or its affiliates have entered into, and may in the future enter into, certain purchasing arrangements with one or more portfolio companies as well as one or more product and service providers (e.g., software and related products and services, office supplies, expedited shipping, and other administrative and similar products and services) on behalf of its Funds' other portfolio companies as well as itself. As a result, such other portfolio companies, and TZP Management, might benefit from reduced pricing on such products and services depending on the volume of products and services purchased. In cases where the supplier is itself a portfolio company, such portfolio company and its investors (including the Fund and any co-investors that own all or part of such portfolio company), might also benefit from the increased revenue earned by such portfolio company from such arrangement. TZP Management's reduced pricing may also incentivize it to maintain such arrangements. However, TZP Management believes that the purchasing portfolio companies benefit as a result of their access to quality products and services at beneficial pricing, and that any potential for conflicts of interest resulting from TZP Management's benefits from such arrangements are mitigated by the fact that its benefits are proportional to the other portfolio companies' benefits.

In addition, at the request of TZP Management from time to time, certain members of a Fund's advisory board members and other Limited Partners serve as members on portfolio companies' boards of directors and, in such capacity, may receive compensation from such portfolio companies (including directors' fees, stock, stock options and other compensation).

Additionally, as further described herein and in the applicable Limited Partnership Agreement of each Fund, TZP Management may from time to time retain certain consultants to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including

operational aspects of such companies. In certain circumstances, these services also include serving on the Board of Directors or in management or policy-making positions for portfolio companies. Consultants receive compensation, including, but not limited to cash fees, retainers, transaction fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or General Partners, remuneration from TZP Management, its affiliates, its Funds, and/or a portfolio company or other compensation, which typically are determined according to one or more methods, including the value of the time of such consultants, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts (including amounts paid by portfolio companies) will offset the Management Fee. The use of consultants subjects TZP Management to conflicts of interest, as discussed under “Conflicts of Interest,” below.

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, TZP Capital Fund I GP, TZP Capital Fund II GP, TZP Capital Fund III, and TZP Small Cap Fund I GP each receive a Carried Interest equal to 20% of all aggregate realized Limited Partner profits from TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III and TZP Small Cap Fund I, respectively, subject to satisfaction of an 8% preferred return, compounded annually, as more fully described in the applicable Fund’s Limited Partnership Agreement. If TZP Capital Fund I GP, TZP Capital Fund II GP, TZP Capital Fund III GP or TZP Small Cap Fund I GP receives Carried Interest distributions during the life of TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III or TZP Small Cap Fund I, 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.

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

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

TZP Capital Fund II Co-Investment Vehicles are generally not subject to a Carried Interest. This practice could present a conflict of interest because TZP Capital Fund II GP has an incentive to

favor accounts for which it receives a performance-based fee. TZP Capital Fund II GP seeks to address this potential conflict of interest by managing the applicable investment of TZP Capital Fund II and the relevant TZP Capital Fund II Co-Investment Vehicles, to the extent practicable, on the same terms on a pro rata basis based on relative commitment sizes of TZP Capital Fund II and such TZP Capital Fund II Co-Investment Vehicles.

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

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

Under certain circumstances, Co-Investment Vehicles of the Funds may pay Carried Interest, although they are not usually 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 it receives a performance-based fee. The General Partners seek to address this potential conflict of interest by managing the applicable investment of the relevant Fund and its Co-Investment Vehicles, to the extent practicable, based on their relative commitment sizes.

TYPES OF CLIENTS

TZP Management provides investment advice to the Funds. 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 Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, 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 and members of their families, consultants, or other service providers retained by TZP Management. TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III, and TZP Small Cap Fund I 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 (including debt) in middle-market companies, with respect to Fund I,

Fund II and Fund III, and small deals-market companies, with respect to TZP Small Cap Fund I, in the form of buyouts, growth capital investments, 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 is 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 (TZP Capital Fund I, TZP Capital Fund II and TZP Capital Fund III) - Middle-Market Companies

The Advisers generally target middle-market equity investments for TZP Capital Fund I and TZP Capital Fund II. The Advisers generally seek equity investments ranging between \$25 million and \$80 million in portfolio companies typically with enterprise values up to \$250 million and EBITDA greater than \$8 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.

The Advisers generally target middle-market equity investments for TZP Capital Fund III. The Advisers generally seek equity investments ranging between \$30 million and \$100 million in portfolio companies typically with enterprise values up to \$250 million and EBITDA greater than \$10 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.

Size (TZP Small Cap Fund I) – Small Deals-Market Companies

For TZP Small Cap Fund I, the Advisers generally targets small deals-market equity investments. The Advisers generally seek equity investments ranging between \$10 million and \$25 million in portfolio companies typically with enterprise values up to \$50 million and EBITDA less than \$8 million. The small deal market shares attractive features of the middle market with further advantages, which include: (i) fewer private equity managers targeting this segment; (ii) lower incidence of prior institutional ownership; (iii) less competitive deal dynamics; (iv) more fragmented intermediary base; (v) lower valuation multiples available; and (vi) greater availability of structuring protections. While TZP Small Cap Fund I's target portfolio companies will have smaller size and enterprise values than other TZP Funds, the strategy across the firm with respect to its equity-related investment funds will remain consistent.

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 small deals and 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; 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. TZIP Management expects that most of the Funds' investments will have holding periods of four to six years. TZIP 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. TZIP 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.

Risks of Investments in Small-Sized Companies. TZP Small Cap Fund I will focus primarily on buyouts, recapitalizations and growth capital investments through direct private equity and equity-related (including debt) investments in companies in the Small Deals Market and/or that generally require less than \$25 million of upfront investment capital. Companies in the Small Deals Market often have limited product lines, markets or financial resources, and they are more likely than larger companies to be dependent upon one or a few key people for management.

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 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.

Dependence on Personnel. The Adviser's ability to successfully manage the Funds' affairs depends on TZP's employees and advisors. The Adviser will be relying extensively on the experience, relationships and expertise of these persons. There can be no assurance that these persons will remain with the Investment Manager through each closing of the Funds or will otherwise continue to be able to carry on their current duties throughout the term of the Funds or that TZP will be able to retain replacements when needed.

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.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. The United Kingdom has entered into similar agreements with various jurisdictions. Other countries are also considering such agreements, and the OECD has proposed a worldwide tax information exchange standard that is likely to be adopted by many countries for years after 2015. One or more of these information exchange regimes are likely to apply to the Funds, and may require the General Partners to collect and share with applicable taxing authorities information concerning Limited Partners (including identifying information and amounts of certain income allocable or distributable to them). In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2017, gross proceeds

of a disposition of stock, unless an exception applies. The Partnership may be required to withhold such taxes from certain non-U.S. Limited Partners, unless 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. TZP Small Cap Fund I may compete with TZP Capital Fund I, TZP Capital Fund II and TZP Capital Fund III for add-on and growth opportunities. 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, to the extent practicable, on the same terms on a pro rata basis based on relative commitment sizes of the 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.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their Limited Partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

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. Portfolio companies obtain insurance with respect to such liability, but 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. TZP Capital Fund I and TZP Small Cap Fund I may invest up to an amount no greater than twenty percent of aggregate commitments, TZP Capital 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), and TZP Capital Fund III may invest up to an amount no greater than 25% of aggregate commitments 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.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies, particularly operating companies in historically vulnerable industries such as the food services and retail industries, are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at TZP Management or one of its service providers holding its financial or investor data, TZP Management, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under TZP Management's policies.

CONFLICTS OF INTEREST

TZP Management and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds and portfolio companies. TZP Management will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as

required by the relevant Limited Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of TZP Management conducting its activities, the interests of a Fund may conflict with the interests of TZP Management, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, TZP Management will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

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. Without limitation, TZP Management principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. TZP Management's principals and TZP Management's investment staff will continue to manage and monitor such investments until their realization. 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 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. Investments by more than one client of TZP Management in a portfolio company may also raise the risk of using assets of a client of TZP Management to support positions taken by other clients of TZP Management.

TZP Management must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. TZP Management generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Limited Partnership Agreement, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the relevant client's Limited Partnership Agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limits, cash level (if any), tax and regulatory considerations, life cycle, structure and other relevant factors. A Fund may invest together with other Funds advised by an affiliated adviser of TZP Management in the manner set forth in the relevant Limited Partnership Agreements and TZP Management's policies and procedures. TZP Management will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with TZP Management's obligations and may take into consideration factors such as those set forth above. Following such determination of allocation among Funds, TZP Management will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' Limited Partnership Agreements, Side Letters or similar arrangements and TZP Management's procedures regarding allocation. TZP Management's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates;

perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; TZP Management's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair TZP Management's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; and whether TZP Management believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or TZP Management. TZP Management may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by TZP Management or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may be offered to some and not to other TZP Management investors. When and to the extent that employees and related persons of TZP Management and its affiliates make capital investments in or alongside certain Funds, TZP Management and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

In certain cases, TZP Management will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Limited Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, TZP Management will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Limited Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by TZP

Management in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, TZP Management may face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, TZP Management may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. TZP Management intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Subject to any relevant restrictions or other limitations contained in the Limited Partnership Agreements of the Funds, TZP Management will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, TZP Management may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by TZP Management or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, TZP Management and/or its affiliates typically have the right to appoint portfolio company board members, 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. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to TZP Management.

Additionally, a portfolio company typically will reimburse TZP Management or service providers retained at TZP Management's discretion for expenses (including without limitation travel expenses) incurred by TZP Management or such service providers in connection with its performance of services for such portfolio company. This subjects TZP Management and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. TZP Management determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to TZP Management or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board

of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

TZP Management generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) TZP Management or a related person of TZP Management (which may include a portfolio company of such Fund), (ii) an entity or person with which/whom TZP Management or its affiliates or current or former members of their personnel has a relationship or from which TZP Management or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain Limited Partners or their affiliates. For example, TZP Management may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in lending or related business. This discretion subjects TZP Management to conflicts of interest, because although TZP Management selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, TZP Management may have an incentive to recommend the related or other person (including a Limited Partner) because of its financial or other business interest. There is a possibility that TZP Management, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or TZP Management), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not TZP Management has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, from time to time TZP Management may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by TZP Management, or co-investors or co-investment vehicles. Such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Limited Partnership Agreements or otherwise in the sole discretion of TZP Management, TZP Management may seek to mitigate such conflicts by soliciting multiple proposals and/or seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, TZP Management may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. TZP Management intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although TZP Management generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, TZP Management

intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

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 Funds or other investment vehicles advised by TZP Management and/or its affiliates; conversely, current or former personnel or executives of TZP Management and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by TZP Management. Similarly, TZP Management, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities 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 Funds or other investment vehicles they advise. TZP Management may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide TZP Management information about markets and industries in which TZP Management operates (or is contemplating operations) or will provide other services that are beneficial to TZP Management. TZP Management may have a conflict of interest in making such recommendations, in that TZP Management has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

In certain circumstances, current or former TZP Management personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at TZP Management. Under such arrangements, TZP Management and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in additional offsets to the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated after completion of the assignment. Employees may or may not return to TZP Management at the end of such secondee arrangement.

TZP Management, its affiliates, and equity holders, officers, principals and employees of TZP Management and its affiliates may buy or sell securities or other instruments that TZP Management has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Fund's Limited Partnership Agreement and any policies and procedures set forth in TZP Management's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by TZP Management, are reimbursed by a Fund and/or its portfolio companies, TZP Management may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. However, when selecting a potential service provider, TZP Management considers other qualitative and quantitative factors, such as the service provider's reputation, reliability, or financial stability.

Because the Funds' General Partners' carried interest is based on a percentage of net realized profits, it may create an incentive for TZP Management to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the TZP Management may not otherwise have done so. Since TZP Management is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

TZP Management may enter into Side Letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subjects the Advisers to potential conflicts of interest. The Advisers attempt to resolve such conflicts of interest in light of their obligations to investors in their Funds and the obligations owed by the Advisers; advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, TZP Management will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. 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 the Advisers are permitted to retain certain Supplemental Fees on behalf of the Funds (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 of any Limited Partner individually.

As a result of the 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 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 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 TZP Management as well as one or more Fund portfolio companies), and such fees will not offset the Management Fee as described herein.

Consultants generally make use of TZP Management's resources or otherwise are associated with TZP Management. TZP Management and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Consultants generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund, as described herein. Although the use of consultants and the allocation of compensation paid to them by TZP Management, its affiliates and/or the portfolio companies subjects TZP Management and/or its affiliates to potential conflicts of interest, TZP Management believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the consultant is lower than market rates for the services provided and/or if the services of the consultant align with TZP Management's model for the portfolio company and improve portfolio company performance. Although TZP Management seeks to retain consultants with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings and/or limited or no portfolio company performance improvement from such retention. TZP Management also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that TZP Management believes will align such persons' interests with those of the Funds' Limited Partners, and seeks to retain only consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

From time to time, portfolio companies provide certain affiliates of TZP Management discounts on merchandise or services sold by the portfolio company. TZP Management has instituted a program under which portfolio companies owned by the Funds are given the option to participate

in purchasing, vendor or similar arrangements with TZP Management, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Participants voluntarily participate in the program without cost. TZP Management and its affiliates also participate in the program, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to the Management Fee. TZP Management believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

From time to time TZP Management and its affiliates and personnel, and persons selected by them, expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than TZP Management and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, TZP Management believes that the potential for conflicts of interest relating to such discounts is mitigated. TZP Management and, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

Any of these situations subjects TZP Management and/or its affiliates to potential conflicts of interest.

Additional Conflicts of Interest Specific to TZP Small Cap Fund I. During the TZP Small Cap Fund I commitment period, the Advisers will pursue all appropriate investment opportunities that meet the investment criteria of TZP Small Cap Fund I principally for the benefit of TZP Small Cap Fund I, subject to certain limited exceptions. However, the Advisers currently, and may in the future, manage other investment funds besides TZP Small Cap Fund I and investments similar to those in which TZP Small Cap Fund I will be investing and may direct certain relevant investment opportunities to such other investment funds and investments. In particular, the Advisers currently manage TZP Capital Fund I, TZP Capital Fund II, and TZP Capital Fund III and may offer other funds similar to TZP Small Cap Fund I or that invest in securities also purchased by TZP Small Cap Fund I. The operative documents and investment programs of those funds or TZP Small Cap Fund I may restrict, limit, or prohibit, in whole or subject to certain procedural requirements, investments by TZP Small Cap Fund I in issuers held by such funds or may give priority with respect to investments to such other funds or their portfolio companies. Conflicts of interest may also arise in allocating time, services or functions of the personnel of the Advisers. Such other investment funds and investments that the Advisers may control or manage, may compete with the TZP Small Cap Fund I or companies acquired by TZP Small Cap Fund I. It is generally anticipated that investments in companies with annual EBITDA of up to approximately \$8 million and/or that generally require less than \$25 million of upfront investment capital will be made on behalf of TZP Small Cap Fund I and investments that exceed one or both of these criteria may be targeted for other investment funds managed by the Advisers, or their respective affiliates, or portfolio investments owned thereby. As between TZP Small Cap Fund I and an existing portfolio company on the one hand and TZP Capital Fund III and its successor funds on the other hand, the General Partners shall allocate opportunities meeting the objectives of each of the funds and such existing portfolio company on a basis which the General Partners believe is fair and equitable taking into account all factors the General Partners deem relevant, including, without limitation, whether such investment is appropriate as an add-on for

an existing portfolio company, the objectives of TZP Small Cap Fund I and TZP Capital Fund III, the sourcing of the transaction, industry and geographic diversification, the amount of the potential follow-on investment that may be required for such investment, the pipeline of upcoming opportunities, the remaining capital and time to invest for each vehicle, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals and other considerations.

The Advisers expect that opportunities meeting TZP Small Cap Fund I's investment objectives will first be offered to TZP Small Cap Fund I; however, in circumstances where a current portfolio company of another fund managed by affiliates of TZP elects to pursue an investment as an add-on opportunity, the Advisers may offer such investment first to such portfolio company. Notwithstanding the foregoing, if a prospective seller desires to partner with TZP Group to help maximize the value of their retained equity stake as opposed to an outright sale, the Advisers intend to allocate such investment opportunity solely to TZP Small Cap Fund I. In order to mitigate conflicts that may arise and provide transparency in the event of a conflict, the Limited Partner advisory committee of each of TZP Capital Fund II, TZP Capital Fund III and TZP Small Cap Fund I shall receive a report listing consummated investments by TZP Small Cap Fund I in which the Advisers, in their reasonable judgment, determined a conflict existed between its investment funds and the resolution of such conflict.

Subject to the terms of the Limited Partnership Agreements and applicable regulations, TZP Small Cap Fund I may buy securities from, or sell securities to, or co-invest with, such other funds. The Advisers and/or its principals and employees may also carry on investment activities for their own accounts and for family members and friends who do not invest in TZP Small Cap Fund I, and may give advice and recommend securities to other accounts or investment funds which may differ from advice given to, or securities recommended or bought for, TZP Small Cap Fund I, even though their investment objectives may be the same or similar.

From time to time the Advisers may be in possession of material, non-public information concerning the issuer of securities in which TZP Small Cap Fund I has invested, or in which it intends to invest. The possession of such information may limit the ability of TZP Small Cap Fund I to buy or sell such securities even if such information was obtained in the context of the investment activities of other Funds.

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 above under "Advisory Business" and 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.

One of TZP Management's partners is the sole owner of a captive insurance company that was formed to ensure against certain contingent risks of TZP Management, TZP Capital Fund II Manager, TZP Capital Fund III Manager and TZP Small Cap Fund I Manager. However, there is no business relationship between the insurance company and TZP Management's Funds.

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 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. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any Limited Partner or prospective limited partner upon request to Tiffany R. Shatzkes, 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 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 TZP Management, 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. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

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 Funds sponsored by TZP Group may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by Limited Partners (or their representatives) in such Funds.

From time to time, the Advisers may borrow funds on behalf of a Fund and contribute such borrowed amounts to such Fund 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 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, the Advisers are subject to conflicts of interest between repaying their obligations and retaining such borrowed amounts for the benefit of the Fund, as applicable. The Advisers will effect such borrowings in a manner they believe to be fair and equitable to the 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 do not intend to regularly engage in public securities transactions, and instead focus on securities transactions of private companies. However, the Advisers generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. 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.

To the extent that the Advisers engage a broker-dealer, such selection will be based on a variety of factors. These may include (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.

As a result, although the Advisers generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

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

Each Fund will provide to each of its Limited Partners (i) annual financial statements (which 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. Any fees and expenses payable to any such placement agents will borne by TZP Management indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

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 and Silicon Valley Bank. However, TZP Management is deemed to have "custody" within the meaning of the Advisers Act Rule 206(4)-2 ("Custody Rule") because its affiliates serve as the Funds' General Partners. In compliance with the Custody Rule, the Funds' financial statements will be prepared in accordance with generally accepted accounting principles and subject to an annual audit by an independent public accountant registered with the Public Company Accounting Oversight Board. Additionally, the Funds' audited financial statements will be distributed to each Fund's Limited Partners within 120 days of the respective Fund's fiscal year end.

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 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 Tiffany Shatzkes, 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 founded TZP Group in March 2007. Mr. Katz serves as the Managing Partner and as a member of the Investment Committee for TZP Capital Fund I, TZP Capital Fund II, TZP Capital Fund III and the Investment Committee for TZP Small Cap Fund I. 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 The Water Cooler Group (WCG), LLC, BQ Resorts, LLC, Cloud 5, LLC, Global Employment Solutions, Inc., Snap Fitness Holdings, Inc., University Furnishings, L.P., Family Entertainment Group Holdings, LLC, HomeRiver Group Holdings, LLC, Hylan Holdings, LLC, BigName Holdings, LLC d/b/a Envelopes.com, Pyramid Management Holdings, LLC, Pennant Park Floating Rate Capital Ltd. and Pennant Park Investment Corporation, and serves as a member of both the Executive Committee of YRF Darca and the Managing Board of Darca.

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. In addition, he is the Co-chair of the Pennant Park Audit Committee. Mr. Katz is the sole owner of a captive insurance company that was formed to ensure against certain contingent risks of TZP Management, TZP Capital Fund II Manager, TZP Capital Fund III Manager, and TZP Small Cap Fund I Manager. However, there is no business relationship between the insurance company and TZP Management's Funds.

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 Pennant Park Floating Rate Capital Ltd., Pennant Park Investment Corporation, and the Pennant Park Audit Committee.

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 joined TZP Group in July 2007. Mr. Gutin serves as a Partner and as a member of the Investment Committee for TZP Capital Fund I, TZP Capital Fund II, and TZP Capital Fund III and the Investment Committee for TZP Small Cap Fund I. 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 Global Employment Solutions, Inc., HomeRiver Group Holdings, LLC, Kingsbridge Holdings, LLC, and DMRS Holdings, LLC.

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 joined TZP Group in July 2008. Mr. Galpern serves as Partner and as a member of the Investment Committee for TZP Capital Fund I, TZP Capital Fund II and TZP Capital Fund III and the Investment Committee for TZP Small Cap Fund I. 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 Water Cool Group (WCG), LLC, Snap Fitness Holdings, Inc., ASSOS of Switzerland, S.A., University Furnishings, LP, Hylan Holdings, LLC, This Old House Holdings, LLC, and Children's Rights, Inc., as well as serving as Chairman of the Executive Committee of the Gotham Chapter of the Young Presidents' Organization.

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 and, with respect to compliance matters, the TZP Management Chief Compliance Officer.

PAUL N. DAVIS

Educational Background and Business Experience

Paul Davis joined TZP Group in August 2008. Mr. Davis serves as Partner and as a member of the Investment Committee for TZP Capital Fund I, TZP Capital Fund II and TZP Capital Fund III. Mr. Davis began his career in 2002 as a Financial Analyst in the Investment Banking Division of Citigroup Inc., where, during his tenure, he worked on numerous M&A and financing transactions. In 2004, he joined the corporate strategic planning department of The Walt Disney Company as a Senior Analyst. Mr. Davis serves as a member of the Boards of Directors of Water Cool Group, LLC, Cloud5, LLC, Pyramid Management Holdings, LLC, and Hylan Holdings, LLC.

Mr. Davis received his B.B.A. in Finance and Accounting from the University of Michigan in 2002 and his M.B.A. from Harvard Business School in 2008.

Disciplinary History

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

Other Business Activities

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

Additional Compensation

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

Supervision

As a Partner of TZP Group, Mr. Davis is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Davis 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.

RODNEY ESHELMAN III

Educational Background and Business Experience

Rodney Eshelman III, Partner, joined TZP as a TZP Small Cap Fund I Partner in September 2014. Mr. Eshelman also serves as a member of the Investment Committee for TZP Small Cap Fund I. Mr. Eshelman began his career in 1998 as an Analyst in the Corporate Finance Division of PaineWebber, where he focused on mergers and acquisitions in the consumer products and retail sectors. In 2000, he joined JPMorgan Partners where he focused on growth equity, recapitalizations, and buyout investments in the business services, consumer, healthcare, and industrial sectors. In 2004, he joined Crystal Ridge Partners, a private equity firm that invests in Small Deals Market companies in the business services and light manufacturing sectors. As a Founding Member and Managing Director of Crystal Ridge Partners, Mr. Eshelman originated, executed, and monitored numerous control recapitalizations with founder and family owned businesses. In 2011, he co-founded Alston Capital Partners, a private equity firm that invests in Small Deals Market companies in the business services and specialty manufacturing sectors. At Alston Capital Partners, he focused on growth equity and control recapitalizations in founder and family owned businesses. Mr. Eshelman serves on the Boards of Directors of BigName Holdings, LLC d/b/a Envelopes.com, Family Entertainment Group Holdings, LLC, Library Associates Holdings, LLC, This Old House Holdings, LLC, DMRS Holdings, LLC, The Black Tux, Inc, and FreshAddress TopCo, LLC.

Mr. Eshelman received his A.B. with distinction from Duke University in 1998 and his M.B.A. from the University of California at Berkeley in 2005.

Disciplinary History

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

Other Business Activities

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

Additional Compensation

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

Supervision

As a Partner of TZP Small Cap Fund I, Mr. Eshelman is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Eshelman 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.

WILLIAM HUNSCHER, JR.

Educational Background and Business Experience

William Hunscher, Partner, joined TZP as a TZP Small Cap Fund I Partner in July 2014. Mr. Hunscher also serves as a member of the Investment Committee for TZP Small Cap Fund I. Mr. Hunscher began his career in 1986 as a Financial Analyst with Lehman Brothers. From 1988 to 1992, he was an associate at The Blackstone Group. From 1993 to 2000, Mr. Hunscher was a Partner and Head of Corporate Development for Arnold Palmer Golf Management, where he built a leading owner and operator of high quality, branded golf courses and golf schools across the United States. In 2000, Mr. Hunscher conceived and co-founded SharedEquity LLC, an innovative financial product designed to create financial liquidity and diversity for employees and angel investors of private, venture-backed companies. In 2001, Mr. Hunscher joined Mr. Katz at Cendant Corporation where, as an Executive Vice President of Corporate Development, he led numerous transactions in the hospitality, car rental, timeshare, travel and related industries. From 2003 to 2008, Mr. Hunscher was a Managing Member of CHK Capital Partners, a Small Deals Market-focused private investment advisory firm focused on acquiring and building businesses within the State of Maine. During this time, he founded and was Chief Executive Officer of CLYNK LLC, an innovative, consumer-facing recycling company. From 2008 to 2013, Mr. Hunscher was a Partner with Blueshift Partners, LLC, an independent investment fund geared towards opportunistic investments in early stage companies, one of which was Bath Simple LLC, where Mr. Hunscher served as Founder and Chief Executive Officer from 2010 to 2013. Mr. Hunscher serves as a member of the Board of Directors of Family Entertainment Group Holdings, LLC, Library Associates Holdings, LLC, This Old House Holdings, LLC, DMRS Holdings, LLC, Advocate Holdings, LLC, and FreshAddress TopCo, LLC.

Mr. Hunscher received his B.A. in English from Wesleyan University in 1985. He is a former President of the Board of The Breakwater School in Portland, Maine.

Disciplinary History

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

Other Business Activities

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

Additional Compensation

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

Supervision

As a Partner of TZP Small Cap Fund I, Mr. Hunscher is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Hunscher 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.

DAN GASPAR

Educational Background and Business Experience

Dan Gaspar, Partner, joined TZP as a TZP Small Cap Fund I Partner in October 2017. Mr. Gaspar serves as a member of the Investment Committee for TZP Small Cap Fund I. Mr. Gaspar began his career in 2001 as an investment banker in the Global Media and Communications Group at Morgan Stanley, where he focused on mergers and acquisitions and corporate finance transactions. In 2005, he joined Trimaran Capital Partners, where he focused on buyout investments across the media, restaurant and transportation industries. In 2007, Mr. Gaspar co-founded Columbus Nova Private Equity Partners (later known as Gotham Equity Partners). At Columbus Nova, Mr. Gaspar was responsible for sourcing and leading investments in several business services and consumer products companies. In 2011, Mr. Gaspar joined High Road Capital Partners, where he was later promoted to Partner. At High Road, Mr. Gaspar focused on leveraged buyouts of lower-middle-market companies across a variety of industries, including consumer products, industrial services, healthcare services and manufacturing. Mr. Gaspar currently serves on the Board of Directors of Advocate Holdings, LLC.

Mr. Gaspar received a B.S. in economics from The Wharton School of the University of Pennsylvania in 2001 and an M.B.A. in finance from Columbia Business School, graduating Beta Gamma Sigma, in 2005.

Disciplinary History

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

Other Business Activities

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

Additional Compensation

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

Supervision

As a Partner of TZP Small Cap Fund I, Mr. Gaspar is responsible for implementing and overseeing the investment strategy of the clients of TZP Group. Mr. Gaspar 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.