
Coliseum Capital Management, LLC

**Form ADV Part 2A
Disclosure Brochure
March 29, 2019**

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This Brochure provides information about the qualifications and business practices of Coliseum Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 203-883-0100 or ccassar@coliseumpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Coliseum Capital Management, LLC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended. Recipients of this Brochure should be aware that registration with the SEC does not constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill or training in providing advisory services to clients. Our oral and written communications are intended to provide you with information which you may use to determine to hire or retain us to provide investment advice.

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

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The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2: Material Changes

There have been no material changes to this Brochure since our last annual update in March 2018.

You may request a copy of our Brochure by contacting us at (203) 883-0100 or by e-mail at ccassar@coliseumpartners.com.

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Item 4: Advisory Business

A. Description of the Firm

Coliseum Capital Management, LLC (“**we**” or “**us**” or “**our**” or “**Coliseum**”), a Delaware limited liability company, was established in 2005 and is managed by its controlling owners Christopher S. Shackelton and Adam L. Gray. The sole owner of Coliseum is Coliseum Capital Management, LP (“**CCMLP**”) which in turn is majority owned by SG1, LP of which Messrs. Shackelton and Gray are the majority owners. We are an asset management company focused primarily on sponsoring and providing advice to private investment partnerships that principally make longer-term investments in both public and private companies. We only manage assets on a discretionary basis (subject to those limitations as described in Item 16); the investors in the funds that we manage have no opportunity to select or evaluate any fund investments or strategies.

B. Types of Advisory Services

We currently provide the following investment advisory services:

Private Investment Funds

We provide investment advisory services to Coliseum Capital Partners, L.P., (“**CCP**”), Coliseum Capital Partners II, L.P. (“**CCP II**”), Coliseum Capital Co-Invest, L.P. (“**CCC**”) and Coliseum Co-Invest Debt Fund, L.P. (“**COC**”), private pooled investment vehicles (collectively, the “**Funds**”). The general partner of the Funds is Coliseum Capital, LLC (the “**General Partner**”) which is under common control with Coliseum.

CCP invests and trades in securities, consisting principally, but not solely, of private and public securities that are issued by smaller capitalization companies operating in U.S. and Canadian markets. However, we are authorized to enter into any type of investment transaction, anywhere that we deem appropriate, pursuant to CCP’s limited partnership agreement. We are authorized to invest a portion of CCP assets in illiquid securities that are restricted from transfer, which generally are restricted securities of public and private companies. See Item 8 for more information with respect to the investment strategies of CCP.

CCP II was formed to follow and has followed a similar investment strategy as CCP. Currently, pursuant to side letters entered into with its investors, CCP II does not make any new investments.

CCC is a co-investment vehicle that was formed to invest alongside CCP in a concentrated number of securities issued by publicly-traded companies in which a manager of the General Partner serves on the Board of Directors (the “**CCC Portfolio Companies**”). CCC only invested in securities of CCC Portfolio Companies in which CCP also invested. The investment period of CCC has ended and, as such, CCC is no longer permitted to make new investments.

COC is a co-investment vehicle that will invest alongside CCP primarily in debt instruments of publicly-traded and private companies (“**COC Portfolio Companies**”). COC may also, in certain circumstances, hold equity securities of COC Portfolio Companies in the form of reorganized equity issued in exchange for debt, as an “equity kicker” or as part of a follow-on investment. COC will only invest in debt and equity instruments issued by COC Portfolio Companies in which CCP has invested or is also investing, provided that COC may invest in different parts of the capital structure of such COC Portfolio Companies.

The General Partner conducts its activities in accordance with the Investment Advisers Act of 1940, as amended, and the rules thereunder (the “**Advisers Act**”). Any employee of the General Partner, and any other person acting on its behalf, is and shall be subject to the supervision and control of Coliseum. The General Partner is relying on Coliseum’s registration under the Advisers Act and is not registering itself. The General Partner shall be included in all references to “we”, “us” or “Coliseum” herein.

The Funds are not registered as investment companies under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and are, therefore, not subject to various provisions of the Investment Company Act. Interests in the Funds (“**Interests**”) are not registered for sale under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and are instead sold to qualified investors on a private placement basis. Subscriptions for Interests will generally be accepted only from investors who meet the definitions of “Accredited Investor” under Regulation D promulgated under the Securities Act and “Qualified Clients” eligible to pay performance fees under the Advisers Act. Interests in CCP II were sold only to investors who qualified as “qualified purchasers” under the Investment Company Act. Interests in CCC and COC were offered only to existing limited partners of CCP and current clients of the firm. Currently, CCP II, CCC and COC do not accept any new investors.

The services we provide to the Funds in the capacity as the investment manager and general partner may include: organizing and managing the Fund’s business affairs; acquiring, financing and disposing of investments; preparing financial statements; preparing tax related schedules; and providing investor relations functions such as drafting, printing and distributing correspondence to investors and prospective investors.

We provide investment advice directly to the Funds and not individually to the limited partners (“**Investors**”) of the Funds.

Separate Accounts

In addition to managing the Funds, we provide ongoing discretionary investment management services to an institutional client (together with such other separate accounts as we may advise in the future, the “**Separate Accounts**” and each a “**Separate Account**”). Separate Accounts generally invest in the same general category of investments invested in by the Funds.

The term “**Client**” herein refers to either a Fund or the owner of a Separate Account.

As investment adviser to Clients, we identify investment opportunities and participate in the acquisition, management, monitoring and disposition of investments for each Client.

Special Purpose Entities

From time-to-time, we may structure and we or our affiliate may serve as the manager to pooled investment vehicles through which the Funds and/or the Separate Account Clients may invest in one or more particular investment opportunities (each, a “**Special Purpose Entity**”). These Special Purpose Entities are pass-through entities from which we receive no management fees, performance fees or other economic benefit in connection with the acquisition of the particular investment opportunity or opportunities.

C. Client Tailored Services and Client Tailored Restrictions

We enter into discretionary investment management agreements with our Separate Account Clients. See Item 16. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their particular investment objectives or needs.

We manage each Fund based on the investment objectives and investment restrictions set forth in the limited partnership agreement of the Fund (the “**Fund Organization Agreement**”) and the investment management agreement between us and the Fund (the “**Management Agreement**”, and together with the Fund Organization Agreement and the confidential private placement memorandum or other offering document describing the Fund and its terms utilized to offer investments in a Fund, the “**Governing Documents**”).

In addition, we have the right to enter and have entered into agreements, such as side letters, with certain Investors in the Funds that may in each case provide for terms of investment that are more favorable to the terms provided to other Investors in the Funds. Such terms may include the waiver or reduction of management and/or incentive fees/allocations, the provision of additional information or reports, rights related to specific regulatory requests or requirements of certain clients, more favorable transfer rights, and more favorable liquidity rights. Certain Investors may also negotiate for investment exposure (or investment limitations) with respect to specific industries, sectors, geographic regions or investments.

One of our Investors acquired an equity interest in our parent company and an affiliated entity entitling it to receive a percentage of our future revenue (see Item 5). While such Investor does not have any enhanced information rights regarding our Clients or investments, as a result of its affiliation with our parent company, it may (i) become aware of certain material events concerning Coliseum prior to disclosure of such to Clients or Investors in the Funds or (ii) become aware of certain non-material events concerning Coliseum which, due to the immaterial nature, may never be disclosed to Clients or Investors in the Funds.

D. Assets Under Management

As of December 31, 2018, we had \$1,186,589,822 assets under management for the Funds and Separate Accounts. This amount is managed on a discretionary basis.

Item 5: Fees and Compensation

A. Fee Schedule; Prepayment of Fees and Refunds, Payment Method

Private Investment Funds

For our advisory services to CCP, the Governing Documents provide for the payment to us of an annual management fee (the “**Management Fee**”) of 1.5% of assets under management. For our advisory services to COC, the Governing Documents provide for the payment to us of an annual Management Fee of .75% of assets under management. We currently do not receive a management fee for our advisory services to CCC. Investors in CCP II are all “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act, and, as a result, information regarding the fees and compensation payable by CCP II in connection with our advisory services is not required to be provided herein.

We, in our discretion, may waive, reduce or rebate all or any portion of the Management Fee applicable to all or any of the Investors or agree with an Investor to waive or alter the Management Fee as to that Investor. Our owners do not pay any Management Fee with respect to their investments in the Private Funds. The Management Fee is payable in advance at the beginning of each calendar quarter based on the net asset value of the each Investor’s capital account on the first day of that calendar quarter. Investors who are permitted to contribute capital on a date other than the first day of a calendar quarter are charged a pro-rated Management Fee for the quarter. We typically deduct Management Fees directly from Fund assets. Investors who are permitted to withdraw capital on a date other than the last day of a calendar quarter do not receive a refund of the Management Fee paid in advance for that quarter.

The Governing Documents for CCP provide for a special profit allocation (“**Special Profit Allocation**”) to be distributed to the General Partner, from each Investor in the Funds. The Special Profit Allocation for CCP is equal to 20% of net profits (including both realized and unrealized gains and losses) otherwise allocable to that Investor. The Special Profit Allocation is only applied to profits that exceed the cumulative losses previously allocated to that Investor.

We, in our discretion, may waive or reduce the Special Profit Allocation applicable to all or any of the Investors or agree with an Investor to waive or alter the Special Profit Allocation as to that Investor. The Special Profit Allocation is accrued and is payable at the end of each calendar year and upon an Investor’s withdrawal from the Fund, with respect to the amount withdrawn.

We may designate certain investments as illiquid and allocate those investments to an illiquid sub-capital account. The General Partner does not receive a Special Profit Allocation with respect to the profits on illiquid securities in an illiquid sub-capital account until we determine that those illiquid securities should no longer be held in that illiquid sub-capital account. For

purposes of determining the Special Profit Allocation, we may not mark illiquid securities above original cost.

The Governing Documents for CCC and COC provide for an incentive allocation (“**Incentive Allocation**”) to be paid to the General Partner based on the performance of the invested portion of Investors’ capital commitments. The calculation of the Incentive Allocation follows a detailed waterfall for the apportionment of proceeds from the Fund’s investments. Generally, the Incentive Allocation for CCC and COC is 20% of proceeds from investments after the payment of fund expenses and the receipt by Investors of a return of all capital commitments and assuming that a preferred return has been received.

Investors in a Fund may have different fee arrangements. We (without any act, consent or approval of any Investor) may on our own behalf, or on behalf of a Fund, enter into, deliver, perform, modify and terminate side letters or other written agreements or instruments to or with one or more Investors which have the effect of establishing different rights under, or altering or supplementing the terms of, an investment in the Fund, including, without limitation, modifications of withdrawal rights, fee arrangements and access to Fund information. Any rights established, or any terms of an investment in a Fund altered or supplemented, in a side letter with an Investor will govern such investor’s investment in the Fund notwithstanding any other provision of the Fund’s documents to the contrary.

In exchange for providing us with a portion of the capital to buy out our indirect minority owners, one of our Investors was granted a passive non-controlling equity interest in CCMLP and the sole member of the General Partner. By virtue of this interest, such Investor is entitled to receive indirectly a percentage of our future revenues (e.g. our management fees and performance fees and certain other sources of revenue). This Investor does not participate in our investment process or direct the management or policies of Coliseum. This Investor also does not receive enhanced liquidity arrangements or fee discounts.

Our investment management agreement with each Fund is terminable upon expiration of the Fund’s term, dissolution or the withdrawal of the General Partner. Investors may be limited in their ability to terminate their investment in the Fund. Investors should refer to each Fund’s Governing Documents for additional or supplementary information regarding such limitations as well as the fees paid by the Fund.

Separate Accounts

Separate Accounts pay a management fee which is based on a percentage of the assets under management. We negotiate the annual management fees charged for the management of Separate Accounts, which will vary but range from 1.00% to 1.50%. Fees are typically payable in advance on a quarterly basis, unless otherwise agreed upon in the investment management agreement with the Client.

Separate Accounts may also pay a performance fee, ranging from either (i) 10% to 20%, based on the performance of the account, which fee may or may not be subject to investment thresholds or (ii) 10-30% of the portfolio outperformance that occurs above an agreed upon benchmark

during each performance period. Performance fees are based upon the valuation methodology agreed to with each Client.

In general, an agreement for a Separate Account may be cancelled by either party after the expiration of an initial commitment period (of generally two to four years) upon receipt of 60 days' written notice, or as otherwise agreed in the investment management agreement. Upon termination of any account, a Client may or may not continue to pay management fees to us until the Client's investments have been repaid or otherwise satisfied. If the management fee has been paid in advance, the applicable portion of such fee relating to the period after the Client's investments have been repaid or otherwise satisfied, will be returned to the Client.

B. Other Fees and Expenses

Client assets are held in the custody of a bank, trust company, broker-dealer or other entity. The Client will bear any custodial fees associated with such account. To the extent that cash is held in such accounts and fees are charged by the provider of such service, the fees so incurred by the Client will be in addition to the fee payable to us on the overall value of or amount invested for the account. See Item 15.

Each Fund bears the expenses of its organization (subject to any maximum amount set forth in the Governing Documents) and all operational expenses incurred in connection with the purchase, sale, financing and refinancing of investments, and the fees and expenses of third party service providers to the Fund. Such expenses generally will include but are not limited to:

- (a) all trading costs and expenses (such as, for example, brokerage commissions and charges, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees),
- (b) interest and commitment fees on loans and debit balances (on margin or otherwise),
- (c) the costs and expenses of negotiating and entering into contracts and arrangements and making investments in the ordinary course of the Fund's activities (such as brokerage, legal, accounting, investment banking, appraisal and other professional and consulting fees and expenses arising from particular investments and potential investments), and similar expenses in terminating those contracts and arrangements and disposing of the Fund's investments,
- (d) all expenses incurred in visiting companies and attending research conferences (for example, air fare, hotel accommodations and meals),
- (e) costs associated with registering the Fund's restricted securities,
- (f) all costs and expenses incurred in attempting to protect or enhance the value of the Fund's investments (including the costs of instituting and defending lawsuits),
- (g) income taxes, withholding taxes, transfer taxes and other governmental charges and duties,
- (h) fees and reimbursement for out of pocket expenses of any administrator,
- (i) fees and charges of custodians, clearing agencies and banks,

- (j) bookkeeping, recordkeeping, legal, accounting, auditing, tax preparation and all professional, expert and consulting fees and expenses arising in connection with the Fund's activities (including fees and expenses of counsel for the Fund and Coliseum or one or more officers, members or managers of Coliseum, service contracts related to on-line research, portfolio management and quotation services and equipment (including computer hardware and software related thereto) and the expenses of accounting, bookkeeping and recordkeeping services of any administrator or any similar service provider retained by Coliseum to assist it in performing these services for the Fund,
- (k) all fees, costs and expenses of offering and selling Interests and communicating with Investors (including, without limitation, airfare, hotel accommodations, meals and other travel expenses, communications costs, the costs of printing and distributing offering materials, subscription materials, reports and notices, legal and accounting fees and expenses and governmental and self-regulatory agency filing fees, costs and expenses),
- (l) insurance policies as Coliseum considers appropriate, insuring the Fund, Coliseum and their affiliates against liabilities that may arise in connection with the business or management of the Fund,
- (m) proxy voting services and
- (n) any extraordinary expenses (such as litigation expenses).

Generally Investors in a Fund share equally in such Fund's expenses but there may be situations where due to the exit of certain Investors, not all Investors will share equally in Fund expenses. Investors should consult the Governing Documents or investment management agreements for the specific expenses each Fund bears and the situations where Investors may not share equally in expenses.

Clients may be invested in mutual funds. To the extent a Client's account is invested in a mutual fund, it may bear the costs and expenses associated with such investment in that fund.

In a manner consistent with client arrangements (e.g., investment management agreements, the Governing Documents) we will determine whether each expense will be borne by the Client or Coliseum. Certain expenses may be shared between us and one or more Clients and we will allocate such shared expenses in a manner deemed fair and reasonable. The Funds will reimburse us for any expenses paid by us that are properly borne by the Funds.

Some expenses are incurred on an aggregate basis for the benefit of multiple Funds or Clients. Such expenses will be allocated by Coliseum in a manner it determines to be fair and equitable, taking into consideration, among other things (i) the extent of a Client's utilization of the services associated with the expense, (ii) the relative benefit to a Client that is derived from the expense and (iii) the association of the expense with a legal, contractual or other obligation of a Client. This is expected to generally result in a pro rata allocation based on each Client's participation or anticipated participation in the relevant investment or strategy, however, if Coliseum determines that one or more Clients receives substantially all of the benefit, or that the expense would not otherwise have been incurred if it were not for such Client(s), Coliseum will generally allocate such expense solely to such Client(s) that received substantially all of the benefit.

Expenses incurred in connection with transactions that are consummated are allocated to the relevant Clients in accordance with the overall allocation decision.

Investment-related expenses for an investment that is not consummated (a "broken deal") and research expenses for any investment or potential investment will generally be allocated pro rata among all eligible Clients, excluding CCC and CCO and any other co-investment vehicles

Clients bear brokerage and transaction costs to the extent incurred. For additional information regarding brokerage and transaction costs, see Item 12.

C. Sales Compensation

Neither we nor any of our supervised persons accept compensation in connection with the sale of Interests in the Funds.

Item 6: Performance-Based Fees and Side-By-Side Management

“Performance-Based Fees” are fees that are based on a share of the capital gains or capital appreciation of the assets of an account. We currently manage only accounts that pay performance-based compensation as described in Item 5; we do not manage accounts that do not pay performance-based compensation. Fees based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act to the extent required by applicable law.

Performance-based compensation may create an incentive for us to cause a Client to make investments that are riskier and more speculative than it would otherwise make. Performance-based fee arrangements may also create an incentive to favor higher performance fee paying Clients over other Clients in the devotion of time, resources and allocation of investment opportunities.

To manage these potential conflicts, we have adopted a number of compliance policies and procedures. These policies and procedures include (i) our policies which provide that all supervised persons have a duty to act in the best interest of each Client (see Item 11), and (ii) allocation policies which seek to ensure that investment opportunities are allocated fairly among Clients and that all Client accounts are managed in accordance with their investment mandate (see Item 12). We do not consider fee structures in allocating investment opportunities.

Item 7: Types of Clients

We provide investment advisory services to the Funds and Separate Accounts (but not individually to Investors in the Funds). Investors in CCP are required to invest a minimum of \$1 million, but the General Partner may, in its sole discretion, waive this minimum. In the past, we required a minimum of \$50 million to open a Separate Account, but we may waive or increase that minimum if we were to consider managing other Separate Accounts (for high net-worth individuals, institutions, trusts, endowments or pension plans) in the future.

We generally require Investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Fund.

Investors that are U.S. persons must be “Accredited Investors” under Regulation D under the Securities Act and in general, “Qualified Clients” under the Advisers Act eligible to be charged a performance fee. Certain employees of Coliseum who qualify as “knowledgeable employees” under Rule 3c-5 of the Investment Company Act may be permitted to invest directly or indirectly in the Funds. CCP II sold its interests only to Investors who were “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analyses

We apply both systematic and unsystematic methods to screen for potential investments. We rely on the many relationships our managers have developed across the investment landscape.

In addition to the unsystematic approaches referenced above, we utilize more systematic screening methods aimed at identifying undervalued or under-utilized assets, stress signals, etc. These methods incorporate metrics that range from cash flow yields, comparable leverage valuation to announced defaults, historical returns on invested capital and more.

We focus our resources on potential investments where proprietary research provides an advantage. Each investment will generally be based on an intensive analytical process conducted over several months and generally refreshed over the investment life cycle. This process may include facility inspections, management/employee meetings, customer calls, detailed legal review and comprehensive industry review with competitors, suppliers and consultants.

Our valuations typically are based on detailed, long-term cash flow forecasts, with the underlying objective of identifying the intrinsic value of businesses or assets. The forecasts and corresponding investments will generally be driven by 3-5 year return expectations. We consider this longer-term investment horizon as a powerful differentiator critical in exploiting the short-term return requirements of many investors in the market.

On behalf of our Clients, we may make investments at every level of the capital structure, in both liquid and illiquid, and public and private securities. We expect generally to hold only 8-12 “core” positions. Some Clients may have a more concentrated portfolio. Investors should consult the Governing Documents or investment management agreement for specifics.

Investments in securities involve risk of loss that Clients and investors must be prepared to bear.

B. Investment Strategies

The following is a summary of the principal investment strategies employed by us. The material risks associated with each of these strategies is set forth in C. below. This is a summary only. Clients should look to the Governing Documents of each Fund or to their investment advisory agreements with us and other Client materials for a more complete description of each strategy. Clients should not rely solely on the descriptions provided below.

The investment strategy of CCC was to invest in securities of CCC Portfolio Companies. The investment period of CCC has ended and, as such, CCC is no longer permitted to make new investments.

Because COC intends to limit its investments to securities of COC Portfolio Companies, the investment strategies and techniques discussed below, beyond statements regarding the investments in securities of COC Portfolio Companies, are not applicable to COC.

Although the investment period of CCP II has not ended, pursuant to side letter agreements with its Investors, we are not currently making any new investments on behalf of CCP II.

We seek to make long-term, value investments in companies undergoing extraordinary change ("special situations"). On behalf of our Clients, we invest in, hold, sell, trade and otherwise deal in securities, consisting principally, but not solely, of private and public securities that are issued by smaller capitalization companies operating in U.S. and Canadian markets. Our investment activity spans the capital structures of smaller capitalization public and private companies.

In general, our investments fit into one or more of the following criteria:

- The potential for strong free cash flow
- Good businesses or assets operating through complex circumstances
- Businesses or assets which provide a reasonable likelihood of recovering invested capital
- Businesses or assets to which our management team can apply its varied transactional and operations experience
- The ability to enforce remedies, such as liquidation, in order to recover invested capital

We seek to identify investment opportunities in businesses and assets at attractive long-term valuations. Examples include:

- Financially distressed businesses, including companies in the midst of workouts, bankruptcies, turnarounds or restructuring processes
- Lack of liquidity or general imbalance between investment supply and demand in certain out-of-favor or capital-constrained industry sectors
- Complex transactions, such as sales involving companies with business interruptions, significant litigation or other contingent liabilities
- Underperforming businesses due to inadequate management teams or owner neglect
- Undervaluation of public companies relative to private market valuations

- Busted auctions and similar situations where a company loses bargaining leverage with respect to potential buyers
- Companies with hidden or underutilized assets

We may invest a portion of a Client's assets in illiquid securities that are restricted from transfer, which generally are restricted securities of public and private companies. We may also invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, distressed debt, loans, currencies, non-U.S. securities, futures, options on futures, other commodity interests and money market instruments. We also may engage in short selling, margin trading, hedging and other investment strategies.

The investment objectives and methods summarized above represent our current intentions, are general in nature and are not intended to be exhaustive. Among other things, there are no limits on the types of securities or other instruments in which the Fund may take positions, the types of positions it may take, the concentration of its investments in companies, industries or market sectors or subsectors, or the amount of leverage the Fund may use, including the extent of the Fund's margin trading and short positions. Depending on conditions and trends in securities markets and the economy generally, we may pursue any other objectives, or use any other techniques that we consider appropriate and in the best interest of our Clients.

C. Material Risks

Investment Strategy Risks:

Acquiring interests in a Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with us and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in its Governing Documents. Such risks for the Funds and Separate Accounts may include (but are not limited to):

Investment Risks. We invest our Client assets principally, but not solely, in securities that are issued by companies in "special situations" and that are traded publicly and privately in U.S. and Canadian markets. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. A portfolio of securities of companies in special situations, representing a very small segment of the economy, may be extremely more volatile than the broader equity markets.

Micro and Small Capitalization Companies. We invest in securities of companies with micro-to-small-sized market capitalizations. Those securities involve substantially higher risks in many respects than do investments in securities of larger companies. Further, due to thin trading in securities of some micro- and small-capitalization companies, an investment in those stocks may be relatively more illiquid.

Investment Selection. From time to time, we may engage in hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. Hedging strategies usually are intended to limit or reduce investment risk, but also can limit or reduce the potential for profit and may increase transaction costs, interest expense and other costs and expenses. Clients may have high portfolio turnover and the brokerage commissions and other transaction costs generally are higher than those incurred by a Client with a lower portfolio turnover rate.

Securities of Financially Distressed Companies. Investing in assets, liabilities or equity of companies that are, or appear to be, in financial distress or emerging from financial distress, including companies that have undergone or are undergoing major restructurings or bankruptcy reorganizations and companies that we anticipate are likely to undergo such restructurings or reorganizations involves a high degree of risk. At times there is very limited liquidity in such securities.

Short Sales. We sell securities short. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. To make a short sale, we must borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. Securities, once borrowed, may be called at inopportune times, potentially forcing us to pay a premium to cover.

Swaps, Options, Futures and Other Derivatives. From time to time, we may trade in exchange-traded and over-the-counter derivatives, including but not limited to swaps, options, futures, forwards and contracts for differences. Trading in these instruments is highly speculative and entails risks that are greater than those of investing in other securities. Prices of these instruments generally are more volatile than prices of other securities.

Stock Index Futures. Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time.

Counterparty Credit Risk. Our Clients may have contractual agreements with various counterparties, including a prime broker and custodian, to perform various functions or effect certain transactions for or on behalf of the Client. These entities typically are not subject to credit evaluation and regulatory oversight. In addition, our Clients purchase and sell derivative instruments in “over-the-counter” or “interdealer” markets. In many cases, the participants in these markets are not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets.

General Risks of Leverage. We use leverage by engaging in short sales, borrowing on margin, entering into swaps and other derivatives contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, the use of leverage requires us to pledge the Client’ assets as collateral.

Securities Lending and Borrowing. We may lend securities to securities brokers and other institutions to earn additional income, or borrow securities from securities brokers or other institutions. If the other party becomes insolvent or bankrupt, our Client could experience delays and costs in recovering payment or the securities. If, in the meantime, the value of the securities changes, our Client could experience further losses.

Repurchase Agreements. We may enter into repurchase agreements, by which we buy a security and simultaneously agrees to sell it back later at a predetermined price, or in reverse repurchase agreements, by which we sell a security and simultaneously agrees to buy it back later at a predetermined price. If the other party to a repurchase or reverse repurchase agreement becomes insolvent or bankrupt, we may experience delays and incur costs in recovering payment or the securities. If the value of the security purchased changes in the meantime, our Clients could experience further losses. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

Risks of Non-U.S. Investments. We may invest in securities of non-U.S. companies, which may be denominated in U.S. or non-U.S. currencies, and use forward non-U.S. currency exchange contracts, which involve unusual risks not typically associated with investing in U.S. companies. These risks include, but are not limited to, less public information available regarding non-U.S. issuers, limited liquidity of non-U.S. securities and political risks associated with the countries in which non-U.S. securities are traded and the countries where non-U.S. issuers are located. Individual non-U.S. economies may differ unfavorably from the U.S. economy in gross national product growth, inflation rate, savings rate and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. We may invest in securities of non-U.S. governments (or agencies or subdivisions thereof), and some or all of the foregoing considerations also may apply to those investments. Investments may be affected unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar.

Private Equity/Venture Capital Risks. Private equity/venture capital investment involves an extraordinarily high degree of business and financial risk and can result in substantial or complete losses. Many portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. Such companies may face intense competition. Any such portfolio company may fail.

Extreme Volatility. Investments in illiquid securities and securities of companies with micro-to-small-sized market capitalizations involve extreme business and financial risk and can result in substantial or complete loss.

Additional Capital Needs. After making initial investments in portfolio companies, portfolio companies may require additional funding, or we may have the opportunity to increase investments in portfolio companies. Any decision not to make follow-up investments, or the inability to make them, may have substantial adverse effects on portfolio companies in need of such investment or may result in missed opportunities for our Clients to increase participation in ventures, or may cause a decrease in the value of our Client's portfolio.

Competition. Numerous risk capital investors will be competing with us for desirable investment opportunities. Because of this competition and because of limited available capital, Clients might not be able to participate in attractive investments that would otherwise be available.

Time Required for Maturity of Investments. Private businesses can take several years from the date of initial investment to reach a state of maturity when disposition of outstanding securities can be considered, and frequently require even longer periods before disposition can occur. Clients may not realize a return on any investment in a non-public company within a reasonable time, or at all.

Economic Conditions. Changes in economic conditions can affect Client investments and prospects materially and adversely. These factors may affect the volatility of securities prices and the liquidity of Client investments. Unexpected volatility or illiquidity could impair the Client's profitability or result in losses.

No Control over Portfolio Issuers. Although Clients may acquire substantial positions in the securities of particular companies, Clients may not share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

Concentration of Investments. A Client's investment portfolio may be confined to the securities of relatively few issuers. Concentration in investments in several, relatively large security positions or industries and a loss in any one position or downturn in any one industry could reduce performance materially. The more concentrated a Client's portfolio, the much higher risk of loss than would be the case with a more broadly diversified portfolio.

Portfolio Turnover/Operating Deficits/Expenses. On behalf of our Clients, we trade securities actively and incur significant brokerage, custody and other transaction costs and expenses. An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.

Non-public Information. From time to time, we may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit our flexibility to buy or sell portfolio securities issued by such companies which could reduce potential profit or increase loss.

Key Man. Coliseum's success depends on the skill and acumen of Adam Gray and Christopher Shackelton. If any of them should cease to participate in Coliseum's activities, Coliseum's ability to select attractive investments and manage the Clients' portfolios could be severely impaired.

Other General Investment Risks:

- A Client account may hold investments in companies that disappoint earnings expectations and decline, and may short investments in companies that beat earnings expectations and rise.
- We may not be able to obtain complete or accurate information about an investment and may misinterpret the information that we do receive.
- Our activities could cause adverse tax consequences to Clients and Investors, including liability for interests and penalties.

With respect to CCC and COC, in addition to the applicable risks set forth above, there are the following additional risks:

Concentrated Portfolio. CCC currently holds and COC is expected to hold a limited number of portfolio investments. The highly-concentrated nature of these funds' portfolios subjects each fund to a much higher risk of loss than would be the case with a more broadly diversified portfolio. The returns of CCC and COC may also not replicate the returns of CCP, which has a more diversified portfolio.

The above is only a brief summary of some of the important risks associated with our investment strategies. Before deciding to invest in a Fund or a Separate Account, potential Investors and Clients should carefully consider all the risk factors and other information set forth in the Governing Documents.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the firm or the integrity of the firm's management in this item.

There are no legal or disciplinary events that are material to a Client's (or Investor's) or a prospective Client's (or prospective Investor's) evaluation of Coliseum's advisory business or the integrity of Coliseum's management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither we nor any of our management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

As explained in Item 4 above, Coliseum serves as investment manager to and its affiliate, the General Partner, serves as general partner to the Funds. All persons acting on behalf of the General Partner are subject to the supervision and control of Coliseum (the “filing adviser” of Form ADV Part 1A) in connection with any investment advisory activities. In accordance with SEC guidance, the General Partner is registered as an investment adviser in reliance on the Form ADV filed by Coliseum.

We are under common control with another SEC-registered investment adviser, Everside Capital Partners, LLC and its affiliated adviser, Everside Capital Partners Collateral Advisory, LLC (collectively, “**Everside**”). Everside currently acts as investment adviser solely to private funds (the “**Everside Funds**”) although it may provide investment advisory services to other types of clients in the future.

Specifically, our sole owner, CCMLP, is also the majority owner of Everside Capital Investors, LLC which is the majority owner of Everside Capital Partners, LLC as well as the majority owner of the general partner of the Everside Funds. The general partner of the Everside Funds is the sole owner of Everside Capital Partners Collateral Advisory, LLC. Our portfolio managers, Adam Gray and Chris Shackelton (the “**Coliseum Portfolio Managers**”) control CCMLP. This ownership interest by CCMLP, among other things, entitles the Coliseum Portfolio Managers to indirectly receive a percentage of the management fees earned by Everside and a percentage of the performance fees earned by the general partner to the Everside Funds. The Coliseum Portfolio Managers have invested in the Everside Funds and also are members of the Senior Advisory Committee for Everside.

The services provided by Everside are separate and distinct from our advisory services. Coliseum investment advisory personnel are not engaged in Everside’s investment management business and Everside investment advisory personnel are not engaged in Coliseum’s investment management business. Our Clients do not share the same investment strategies as the Everside Funds (whose investment objective is to principally invest in other investment managers). We do not share investment advisory personnel or facilities with Everside or the Everside Funds. We have no business dealings with Everside in connection with the advisory services we provide to Clients. Coliseum will not invest Client assets in the Everside Funds and Everside will not invest the Everside Funds’ assets in any of our Funds.

On occasion, the Coliseum Portfolio Managers will introduce Investors and other persons to Everside for investment advisory services. Similarly, Everside personnel may introduce persons to Coliseum for investment advisory services. Coliseum and Everside and their personnel are not directly compensated for these referrals. However, to the extent that a person that the Coliseum Portfolio Managers introduces to Everside subsequently invests in one of the Everside Funds, this would result in an increase in the size of the Everside Funds which in turn would result in additional compensation to Everside. By virtue of CCLMP's ownership interest in Everside, the Coliseum Portfolio Managers would share indirectly in such increased management fees.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

In order to address conflicts of interest, we have adopted a code of ethics (the “**Code**”) which is applicable to all of our officers and employees and other supervised persons (collectively, “**Supervised Persons**”). The Code generally sets the standard of ethical and professional business conduct that we require of all Supervised Persons, requires Supervised Persons to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Supervised Persons. Additionally, the Code sets forth our policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that we and all Supervised Persons owe to each advisory Client.

The Code is circulated at least annually to all Supervised Persons, and all Supervised Persons at least annually must certify in writing that they have received and followed the Code and any amendments thereto.

We will provide a copy of the Code to any Client or prospective Client upon request.

B. Participation or Interest in Client Transactions; Related Person Investments

In the ordinary course of conducting our advisory activities, the interests of a Client will from time to time conflict with our interests and those of other Clients. Certain of these conflicts of interest, as well as a description of how we address them, are described below.

We will deal with all conflicts of interest using our best judgment, but in our sole discretion. In doing so, we will consider various factors, including the interests of each Client with respect to the immediate issue and/or with respect to the longer term course of dealing among such Clients. When acting as a fiduciary, we owe Clients a duty of loyalty. This includes the duty to address, or at minimum disclose, conflicts of interest that may exist between different Clients; between us and Clients; or between our employees and Clients. Where potential conflicts arise from our fiduciary activities, we will take steps to mitigate, or at least disclose, them. Conflicts arising from fiduciary activities that we cannot avoid (or chose not to avoid) are mitigated through written policies that we believe protect the interests of our Clients as a whole. In these cases – which include issues such as personal trading and Client entertainment, discussed below – regulators have generally prescribed detailed rules or principle for investment firms to follow. By complying with these rules, using robust compliance practices, we believe that we handle these conflicts appropriately.

The material conflicts of interest include those discussed below, although the discussion below does not necessarily describe all of the conflicts that a Client potentially faces. Other conflicts are disclosed throughout this brochure; the brochure should be read in its entirety for other conflicts.

1. ***Principal and Agency Transactions***

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from, or sells any security to, an advisory client. A principal transaction would occur if we bought securities for our own or an affiliate's inventory from a Client or sold securities from our inventory to a Client.

A principal transaction presents conflicts of interest which may include the adviser or affiliate earning a fee or earning (or losing) money as a result of the transaction.

At times, the General Partner may enter into a "principal transaction" with each Fund. The Governing Documents of each Fund provide for consultation or approval of such transactions and the terms thereof by a committee of investors. Any such purchase or sale will comply with the notice and consent requirements for principal transactions set forth in Section 206 of the Advisers Act. The potential conflicts of interest are disclosed in each Fund's Governing Documents.

An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. We do not engage in agency cross transactions.

2. ***Cross Transactions***

A cross transaction involves the buying or selling of securities from one Client account to another.

Cross transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value. In addition, we could use our investment authority to transfer unappealing securities from one Client to another Client. The vast majority of trades made for Client accounts will be executed through the open market. We may engage in cross trading under limited circumstances. However, we will only do so when we believe it is in the best interest of both Clients. In such circumstances, neither we nor our affiliates will receive transaction-based compensation from the trade.

3. ***Investment in Fund***

The General Partner has made a general partner or similar investment in each of CCP, CCP II and COC. We, our investment professionals and principals and related persons may invest in each

Fund or be granted interests in or phantom interests related to each Fund. We do not believe that these investments cause a conflict of interest between us and a Fund but rather function to better align the interests of the Investors with our own interests since our own capital is being invested alongside the investors' capital. However, these arrangements also give rise to conflicts of interest. For example, our professionals have an incentive to influence the allocation of an attractive investment opportunity to the Fund in which they stand to personally earn the greatest return.

By virtue of our capital investment in the Funds, we may be considered to participate, indirectly, in transactions effected for the Funds. The foregoing relationships, fees and any other actual or potential conflicts of interest arising therefrom are disclosed in the Governing Documents. Any such investments are made in conformity with the Code which has procedures regarding the use of confidential information and personal investing.

4. *Management of Multiple Clients—Conflicts from Competing Interests*

Certain inherent conflicts of interest arise from the fact that we carry on investment activities for multiple clients. The portfolio strategies of one Client could conflict with the transactions, strategies and instruments in which another Client invests. We may buy for Clients securities of issuers in which another Client has made, or is making, a senior or subordinate investment, which may create conflicts of interest. For example, if one Client is invested in debt securities of an issuer and another Client is invested in equity securities of the same issuer, if the issuer experiences financial or operating challenges which impact the price of its securities, decisions relating to actions to be taken may raise conflicts of interest between these Clients. We may have Clients with different or competing investment objectives. As a result, we may take, on behalf of one Client, consistent with such Client's investment objectives, a contrary investment position to that taken by another Client which position is consistent with such other Client's investment objective.

Potential conflicts of interest may also arise as a result of our current policy to endeavor to manage Client portfolios so that the various requirements and liabilities imposed pursuant to Section 16 of the Securities Exchange Act of 1934 ("Section 16" and the "Exchange Act", respectively) are not triggered. Section 16 applies, inter alia, to "beneficial owners" of 10% or more of any security subject to reporting under the Exchange Act. In addition to certain reporting requirements, Section 16 also imposes on such "beneficial owner" disgorgement requirement of "short-swing" profits deriving from purchase and sale or sale and purchase of the security, executed within a six-month period. We may be deemed to be a "beneficial owner" of securities held by our Clients. Consequently, and given the potential ownership level of the various Clients, we may limit the amount of, or alter the timing, of purchases or sales of securities, in order not to trigger the foregoing requirements. That means that certain contemplated transactions that otherwise would have been consummated by us on behalf of Clients may not take place, may be limited in their size or may be delayed.

We serve as the investment advisor to the Funds and receive management fees for providing investment advisory services to the Funds (other than CCC). Our affiliate serves as the general partner to the Funds and, subject to certain limitations, may receive performance fees based on

the unrealized or realized net profits of the Funds. These management fees and performance fees may exceed the compensation we receive for providing investment advisory services to other client accounts.

We and/or our principals, employees and affiliates are limited partners of the Funds. We may offer advice to qualified existing and prospective clients regarding investing in the Funds. We and/or our principals and affiliates may receive management, performance, oversight, board, administrative or similar fees in connection with advisory, management, monitoring, administrative or similar services that we and/or our principals or our affiliates provide to portfolio companies of the Funds. These relationships create potential conflicts of interest because we may have a financial incentive to favor the Funds over other client accounts.

5. *Allocation of Resources*

Clients may compete with each other for access to our resources. There are no restrictions on us from forming, sponsoring, owning and/or managing additional investment vehicles that have overlapping investment objectives or investment criteria. We may devote more time, attention or resources to some of these potentially competing funds than to others or present an opportunity to certain funds that we do not or cannot present to all. This could have a material adverse effect on a fund's ability to acquire assets, generate cash flow and income, and make distributions.

Neither we nor any of our related persons is obligated to allocate any specific amount of time to any of the Funds or a Separate Account. We and our related persons intend to devote as much time as we deem necessary for the conduct of each Fund's operation and portfolio management, and will allocate investment opportunities in accordance with our trade allocation policy described below.

6. *Allocation of Investment Opportunities*

Investment opportunities will arise that fall within the investment objectives or strategies of two or more Clients. We therefore expect to encounter situations in which we must determine how to allocate investment opportunities among various Clients. We may confront conflict concerns when allocating scarce investment opportunities, given the benefit to us of favoring Clients that pay a higher fee or generate more income for us. To address this conflict of interest, we have adopted various allocation policies as well as supervisory procedures that are intended to fairly allocate investment opportunities among competing Clients.

In general, the portfolio managers determine whether an investment opportunity is permissible for a particular Client pursuant to the governing documents of such Client account as well as applicable laws, rules and regulations and will allocate investment opportunities accordingly. Upon determining that an investment opportunity is permissible for a particular Client account, allocations shall be made among Clients in accordance with our standard allocation rule. Coliseum's standard allocation rule for purchases is that investment opportunities will be allocated pro-rata among Clients with the same investment strategy based upon assets under management; provided however, that to the extent an opportunity is only available to existing

investors, such opportunity will be allocated pro-rata among Clients who are existing investors. In the case of dispositions, our standard allocation rule is that sale opportunities will be allocated pro-rata among Clients holding the particular investment based upon assets under management. In the event that the portfolio managers have established a target hold level for a particular investment (which may vary by Client), investment and disposition opportunities will be allocated pro-rata among Clients until such time as the target is achieved by any one Client and, thereafter, pro-rata among Clients below or above the established target, as the case may be.

Notwithstanding the foregoing, an investment opportunity may, in the discretion of the portfolio managers from time to time, be allocated in a manner other than in accordance with our standard allocation rule based on a variety of considerations, including, but not limited to, the following:

- Investment restrictions in governing documents or financing agreements.
- Liquidity (e.g., allocation size may vary depending on a client account's cash availability, the other liquidity obligations of the Client account (e.g., the frequency of contributions, redemptions or withdrawals) or commitments made to other investments).
- Tax considerations.
- Regulatory considerations.
- Current portfolio composition and risk management.
- Investment objectives and policies
- Investment opportunities other than the prospective investment opportunity may be available to certain Client accounts under their investment objectives and policies. Such other investment opportunities may be more attractive from a risk/reward perspective for such Client account than an allocation of the prospective investment, in which case the allocation of such investment may not be made or may be reduced.
- Disclosures previously made to Client accounts or investors in such Client accounts regarding allocations.
- Any other information determined to be relevant to the fair allocation of securities or other instruments.

With respect to COC, allocations of investment opportunities in COC Portfolio Companies are expected to be made available to CCP and all other current and future investment funds/accounts managed or advised by us or an affiliate with the substantially same investment strategy as CCP first, and then, to the extent continued investment opportunities remain after these entities have reached their investment limitations in a COC Portfolio Company, such opportunities may be made available to COC. Allocations of investment opportunities in COC Portfolio Companies are at our sole discretion and we are not obligated to make any investment opportunities available to COC.

The application of our allocation principles is a fact-intensive exercise. While we base our allocation decisions on the information available to us at the time, this information may prove in retrospect to be incomplete or otherwise flawed. Furthermore, the weight we ascribe certain considerations will evolve over time in response to, among other things, changes in market

conditions, the competition we face for investments and the mix of opportunities available to our funds.

7. *Side Letters*

We routinely enter into side letter agreements with certain Investors in the Funds providing such Investors with customized terms, which often results in preferential treatment, with respect to, among other things,

- the fee structure, including reduced management and/or performance fees;
- the offering of co-investment opportunities;
- the ability to opt out of certain types of investments;
- the reporting obligations of the applicable Fund;
- consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable Fund;
- the right to transfer interests in the applicable Fund;
- the right to withdraw from the applicable Fund in the event of adverse tax or regulatory events;
- additional confidentiality protections;
- the right to disclose certain information to underlying investors or to the public;
- structuring rights with respect to certain types of investments; or
- any other terms, whether economic, procedural or otherwise.

We will consider many factors in deciding whether to accord Investors customized terms via a side letter and expect to grant preferential treatment to the following types of investors:

- investors that have made or have proposed to make relatively large commitments to the Funds or that are anticipated to be important to future fundraising efforts;
- investors that are subject to specific legal, tax or regulatory status or other requirements or policies applicable to them; and
- other investors meeting other criteria we consider reasonable in our discretion.

We have no obligation to offer any such additional rights, terms or conditions to any other Investor, except to the extent required by the Governing Documents of the applicable Fund or otherwise agreed to by the General Partner. Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on the Fund.

C. Personal Trading

We recognize that the personal securities transactions of Supervised Persons demand the application of a high code of ethics, and we require that all such transactions be carried out in a way that does not endanger the interest of any Client. Therefore, in order to address conflicts of interest, we have adopted a set of procedures, included in the Code, with respect to transactions effected by Supervised Persons for their personal accounts. In order to monitor compliance with

our personal trading policy, we have adopted a quarterly securities transaction reporting system for Supervised Persons.

Supervised Persons may personally invest in securities of issuers whose securities are subsequently purchased for Clients or were previously purchased for Clients but such persons are restricted from concurrently investing in the same securities as Coliseum is purchasing for its Clients. This restriction does not apply to accounts over which the Supervised Person does not have investment discretion, such as indirect holdings through mutual funds.

D. Other Conflicts of Interests

Our Code of Ethics has policies and procedures to address the following additional conflicts of interest. While we do not believe that there are any conflicts that pose material risks to Client interests, we wish to note some additional potential conflicts that are inherent in our structure and activities. We also have included brief descriptions of the procedures we use to mitigate their effects.

1. Non Public Material Inside Information/Insider Trading

We have established policies and procedures reasonably designed to prevent the misuse by us and our Supervised Persons of material information regarding issuers of securities that has not been publicly disseminated ("**material non-public information**"). In general, under the procedures, when we are in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither we nor any Supervised Person is permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that we have is no longer deemed to be material non-public information.

2. Gifts/Gratuities

Our Code sets forth procedures regarding gifts and business entertainment to address the potential conflicts of interest surrounding these practices. A further explanation of our gift and business entertainment policy can be found in our Code.

3. Political Contributions

Due to the potential for conflicts of interest, we have established procedures relating to political contributions which are designed to comply with applicable federal and state law. All Supervised Persons are required to seek preapproval before making any political contribution.

4. Valuation

We determine the value of securities held in Client accounts, including illiquid securities, whether or not a public market exists for securities of the same class or type. If our determination is inaccurate, we might receive greater Management Fees and greater Special

Profit Allocations than those to which we would otherwise be entitled. We have an incentive to overvalue these securities in order to receive greater Management Fees and greater Special Profit Allocations than those to which we would otherwise be entitled.

In order to address these conflicts, we value illiquid securities in good faith and in accordance with Generally Accepted Accounting Principles. Our judgments as to the value of investments in each Fund are subject to review and audit by the Fund's auditors.

5. Illiquid Securities

With respect to certain of the Funds, we have the authority to determine when a security is deemed illiquid. Although we have an incentive to designate a security as illiquid to prevent Investors from withdrawing funds, this conflict is mitigated by the fact that such Funds' Governing Documents have caps on the amount of investments in illiquid securities we may make and we do not receive a Special Profit Allocation on illiquid securities, unless otherwise agreed to by an Investor.

Since we may not receive a Special Profit Allocation with respect to the profits on illiquid securities, we have an incentive to terminate an illiquid sub-capital account in order to increase our Special Profit Allocation. We address this conflict by certain termination parameters set forth in the Funds' Governing Documents and our fiduciary duty to act in our Clients' best interests.

6. Outside Directorships & Officer Positions

Some of our officers or employees serve as directors or trustees of publicly-held companies, privately-held companies, and/or non-profit organizations, which may include portfolio companies. The investment management agreement with Clients generally grants us discretionary authority to purchase a wide range of securities on a Client's behalf, including securities of companies for which our officers or employees may serve as directors or trustees. These relationships create potential conflicts of interest because we may have a financial interest in, may be deemed to receive economic benefits from, or have an incentive to devote more resources to, companies or organizations for which our officers or employees serve as directors or trustees.

Such employees may encounter an actual or potential conflict of interest where their fiduciary duties to the publicly-held company and/or its stockholders may conflict with Coliseum's duties to a Client. In such circumstances, such employee will consider and take steps to alleviate or manage such conflict, as deemed appropriate under the circumstances, including but not limited to possibly recusing from board deliberations on conflicted matters, and if deemed appropriate, resigning from the public company board.

In addition, due to confidential information that may be acquired or obligations incurred due to these outside officer positions or directorships, we may be prohibited from taking action on behalf of a Client's account. For example, by virtue of such relationships, we may come into possession of material, non-public information concerning such company, and the possession of

such information will limit our ability to buy or sell the securities issued by such company. In addition, these portfolio companies may restrict trading in securities of these portfolio companies except during certain open trading windows and Clients may be subject to these rules due to these directorship positions.

Therefore, we may be required to refrain from buying or selling such securities at times when we might otherwise wish to buy or sell such securities. This may limit our flexibility to buy or sell portfolio securities issued by such companies which could reduce potential profit or increase loss.

In certain circumstances, these directorship positions will result in a Client being deemed an affiliate of the portfolio company. Generally, in such a situation, a Client will be able to sell securities in such portfolio company only under Rule 144 under the Securities Act of 1933, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act of 1933.

As a result, at any point in time a substantial amount of a Client's portfolio may be considered illiquid.

In light of new statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, these officer or director positions could expose Coliseum and Client assets to regulatory action and/or claims by such portfolio companies, their security holders, and their creditors. Furthermore, in the event of litigation or any regulatory investigation involving portfolio companies, the presence of our employees on the Board of Directors of such companies may cause a Client to be brought into such litigation or investigation. While we intend to manage Client accounts in a way that will minimize exposure to these risks, the possibility of successful claims or adverse regulatory action cannot be eliminated, and such events may have a significant adverse effect on a Client.

7. Conflicts from our other activities and investments

We, our principals and our affiliates may engage in a broad spectrum of finance and investment activities that are independent from, and may from time to time conflict with, Clients. In the future, there might arise instances where our interests conflict with the interests of Clients and/or Fund Investors. We, our principals and our affiliates may engage in transactions with, provide services to, invest in, advise, sponsor and/or act as investment manager to portfolio companies, investment vehicles and other persons or entities that may have similar structures and investment objectives and policies to those of our Clients and that may compete with Clients for investment opportunities and that may co-invest with Clients in certain transactions.

Due to these other activities, we may not be able to take action that might benefit our Clients because of confidential information we, our principals or our affiliates acquire or obligations we, our principals or our affiliates incur in connection with these other activities or because our principals, an affiliate or employee or other related person serves as an officer or director of, or consultant to, a company in which a Client has invested or otherwise might invest.

Although we, our principals and our affiliates will invest our own capital in the Funds along with the other Investors, our interests and those of affiliates may under some circumstances differ from those of a Fund and/or Investors. Such conflicting interests could potentially affect our decisions in purchasing, holding and disposing of the investments of a Fund.

8. *Selection of Service Providers*

Except as may otherwise be provided under the terms of a Client's governing documents, we will generally select Clients' service providers and will determine the compensation of such providers without review by or the consent of an advisory board or other independent party. Clients bear the fees, costs and expenses related to such services. This creates an incentive for us to select service providers based on the potential benefit to us, rather than to Clients.

We may engage the same service provider to provide services to a Client that also provides services to us, which creates a potential conflict of interest to the extent the interests of such parties are not aligned. For example, a law firm may at the same time act as legal counsel to a Client and Coliseum.

We address these conflicts of interest by using reasonable diligence to ascertain whether each service provider (including law firms) provides its service on a "best execution" basis, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers

Item 12: Brokerage Practices

A. Criteria for Selection of Broker-Dealers

In General—Brokerage Selection

We have discretion to purchase and sell securities for our Clients and to select the broker-dealer for securities transactions and in establishing the commission rates that Clients pay such brokers. We look to the overall quality of service provided by the broker and will consider many factors when making a selection for execution, including but not limited to the following:

- Financial stability of the broker;
- The actual executed price of the security obtained by the broker and the broker's commission rates;
- Research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance our general portfolio management capabilities;
- The size and type of the transaction;
- The difficulty of execution and the ability to handle difficult trades;
- The operational facilities of brokers and/or dealers involved (including back office efficiency); and
- The ability to handle a block order for securities and distribution capabilities.

We periodically spot check execution prices against electronic pricing service data to ensure that brokers are obtaining market prices.

At least annually, selected Supervised Persons will meet to review the execution performance of the firm's qualified brokers. The review of brokers will consist of various factors that the reviewers deem necessary for Coliseum to make a reasonable decision about its best execution determinations.

Research and Other Soft Dollar Benefits

Soft dollars refers to the practice of using a portion of the commissions generated when executing Client transactions to acquire useful research and brokerage services from broker-dealers. We do not engage in soft dollar arrangements.

We have retained Goldman Sachs to serve as the Funds' prime broker and custodian. The services that Goldman Sachs currently provides as prime broker may include providing custody, margin financing, clearing, settlement and stock borrowing. Goldman Sachs provides

us with other services, including, but not limited to: technology services, capital introduction services, portfolio reporting and access to electronic communications networks. We may use a substantial portion of these services for research and trading on behalf of Clients. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if we did not receive these services from Goldman Sachs, we would be required to pay for all or some portion of them.

Brokerage for Client Referrals

We may direct Client brokerage transactions to brokers who refer prospective investors to the Funds.

Directed Brokerage

We do not engage in directed brokerage transactions.

Trade Errors

We have an obligation to place orders correctly for Client accounts. If we make an error while placing a trade for a Client account, we will use our best commercially reasonable efforts to break or otherwise correct the trade. Losses for trade errors will be borne by the applicable Client account except for any such act or failure to act that is a result of improper conduct by us (e.g. fraud, willful misfeasance or gross negligence as finally determined by a court of competent jurisdiction).

New Issues

We may from time to time invest Client accounts in “new issues”, as defined in relevant rules established by the Financial Industry Regulatory Authority (“**FINRA**”). To the extent that we may determine to invest Clients in initial public offerings (“**IPOs**”) or other new issues, and to the extent such investments are subject to the restrictions imposed by FINRA rules, such investments will be allocated fairly and consistently with applicable FINRA rules. Such rules generally provide that broker-dealers, their affiliates and certain other persons (“restricted persons”) may not be able to participate in new issues. To the extent that Clients invest in new issues subject to these FINRA rules, we may take measures necessary to ensure compliance with applicable rules which may include, for example, prohibiting or limiting investment by restricted persons or by creating multiple class structures pursuant to which a certain class (or classes) of interests may be issued only to restricted persons while other classes exclude restricted persons.

B. Aggregation of Orders/Allocation of Trades

If we determine that a particular investment is appropriate for more than one Client account, we may aggregate securities transactions for those Client accounts. To ensure that no Client account is disadvantaged as a result of such aggregation, we have adopted aggregation and allocation policies and procedures. We do not aggregate securities transactions for Client

accounts, unless we believe that aggregation is consistent with our duty to seek best execution for Client accounts and is consistent with the Governing Documents or investment management agreements with Separate Account Clients. No Client account is favored over any other Client account, and in general aggregated transactions are allocated in accordance with our trade allocation policies which are designed to effect allocation in an equitable manner over time (See Item 11).

Item 13: Review of Accounts

A. Periodic Reviews

All accounts are reviewed by our senior investment professionals on a continuous basis to determine their conformity with investment objectives and guidelines. The investment professionals involved in portfolio management receive daily updates of portfolio positions and transactions or otherwise periodically as appropriate to the type of investment. Senior investment professionals, with the assistance of other investment professionals, regularly review and discuss portfolio status, potential investments, performance, and related issues.

B. Client Reports

Investors receive such reports as are provided for in the Fund's Governing Documents. Fund financial statements will be prepared in accordance with U.S. Generally Accepted Accounting Principles and will be distributed to Investors after the end of the Fund's fiscal year.

Separate Account Clients receive such reports as negotiated individually with each Client.

We may rely on information provided by third parties in preparing reports, and a third party may assist in preparing or distributing reports. To the extent reports include or rely upon information from another source, we attempt to obtain such information from reliable sources; however, the accuracy of such information cannot be guaranteed. Reports may also include or rely upon fair value determinations made by us or a third party. While such valuations are made in good faith, their actual or empirical accuracy cannot be guaranteed.

We, in our discretion, may provide more frequent reports and/or more detailed information to all or any of the Investors or Separate Account Clients.

Item 14: Client Referrals and Other Compensation

A. Compensation by Non-Clients

Prime Brokerage Services

Each Fund has a relationship with Goldman Sachs to serve as prime broker and provide prime brokerage services to the Funds. Our use of a prime broker with respect to the Funds may yield increased administrative ease and, therefore, reduced expenses and increased profitability for us. Therefore we may be incentivized to do business with prime brokers who provide certain services. However, we do not believe that the Funds incur above-market cost for prime brokerage as the result of the prime broker providing these additional services.

A prime broker may from time to time introduce potential investors to a Fund. We may take prime brokerage services, including capital introduction, into account when selecting a prime broker. Because an increase in the size of a Fund would likely result in additional compensation or other benefits to a prime broker, a prime broker may receive a benefit from introducing investors to a Fund.

As disclosed in further detail in Item 10, personnel associated with our affiliated adviser, Everside, will introduce persons to us for investment advisory services. We will not compensate Everside for such introductions.

B. Compensation for Client Referrals

We do not currently utilize placement agents to sell interests in the Fund or assist in the solicitation of Investors for the Funds or new Separate Account Clients.

As disclosed in further detail in Item 10, the Coliseum Portfolio Managers will introduce Investors and other persons to Everside for investment advisory services. Everside will not compensate the Coliseum Portfolio Managers directly for such introductions.

Item 15: Custody

Private Investment Funds

Except for certain privately offered securities, neither we nor our affiliates maintain physical possession of the funds or securities of the Funds. To the extent required by the Advisers Act Rule 206(4)-2 (the “**Custody Rule**”), physical custody of Fund assets (other than certain privately offered securities) will be maintained with a bank, trust company, broker-dealer or other qualified custodian (“**Qualified Custodian**”) selected by us in our exclusive discretion, which selection may change from time to time generally without the consent of Investors in the Fund. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor.

From time-to-time we form special purpose entities (“**Special Purpose Entities**”) for particular investment opportunities. Some of these Special Purpose Entities have one or more Funds and one of our Separate Account clients as investors. For purposes of the Custody Rule, we are deemed to have custody of the assets of these types of Special Purpose Entities and in order to comply with the Custody Rule, these Special Purpose Entities will be subject to an annual audit and audited financial statements are distributed to each investor in such.

Separate Accounts

Neither we nor our affiliates will maintain physical possession of the funds or securities that a Client maintains in a Separate Account. To the extent required by the Custody Rule, the assets in a Separate Account are deposited with Qualified Custodian selected by the Client. The Qualified Custodian will send quarterly, or more frequently, account statements directly to the Separate Account Client. Separate Account Clients should carefully review those statements.

Item 16: Investment Discretion

Subject to any investment restrictions set forth in the Governing Documents for a Fund or in the investment management agreement with a Separate Account, we have discretionary authority to make the following determinations without obtaining the consent of any Client before the transactions are effected:

- the investments that are to be bought or sold;
- the total amount of investments to be bought or sold;
- the brokers, investment banks or placement agents, if any, through which investments are to be bought or sold; and
- the acquisition price and associated fees at which investment transactions for a Client are effected.

Our discretionary authority is derived from our authority to manage securities accounts on behalf of Clients pursuant to (a) the Governing Documents, including the Management Agreement of the Fund and (b) a limited power of attorney in each other Client's Separate Account agreement.

Item 17: Voting Client Securities

We have been delegated the authority to vote proxies regarding securities held by our Clients. We have adopted and implemented policies and procedures reasonably designed to ensure that we vote proxies in the best interests of our Clients. In the absence of specific voting guidelines from a Client, we will vote proxies in the best interests of each particular Client, which may result in different voting results for proxies for the same issuer. We believe that voting proxies in accordance with the following guidelines is in the best interests of our Clients.

Generally, we will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.

For other proposals, we shall determine whether a proposal is in the best interests of our Clients and may take into account the following factors, among others:

- whether the proposal was recommended by management and our opinion of management;
- whether the proposal acts to entrench existing management; and
- whether the proposal fairly compensates management for past and future performance.

We may refrain from voting a proxy if we determine it is not in the best interest of its Client, if the security is not held as of the record date or if we determine there is no benefit to voting the proxy.

To determine whether a material conflict of interest exists in voting a proxy, we attempt to consider all factors related to a proxy vote that could affect the value of the investment. In the event that a material conflict of interest exists, we will give the Clients the opportunity to vote the proxy themselves.

Upon request, Clients may obtain a copy of our proxy voting policies or information on how we voted proxies on behalf of the Client.

Item 18: Financial Information

We do not require nor do we solicit prepayment of fees six months or more in advance. We are not aware of having any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our Clients. We have not been subject to a bankruptcy petition in the last 10 years.