

March 2019

ZMC Advisors, L.L.C.
Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of ZMC Advisors, L.L.C. (“ZMC”). If you have any questions about the contents of this brochure, please contact Brian Motechin at (212) 944-2056. 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.

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

ZMC is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

This brochure has been amended since the version filed on March 31, 2018 to update ZMC’s assets under management and certain descriptions in ZMC’s advisory business and types of clients sections. We encourage all recipients of this brochure to read it carefully in its entirety.

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Item 4: Advisory Business

ZMC is an independent private equity firm formed under the laws of the state of Delaware as a limited liability company. ZMC is 100% owned by its members: Strauss Zelnick, Seymour Sammell, Karl Slatoff, Jordan Turkewitz and Andrew Vogel.

ZMC serves as an investment advisor and provides discretionary advisory services to private investment vehicles, including ZMC L.P. (f/k/a ZMC Capital L.P.) (“Fund I”), Fund I’s alternative investment vehicles, ZMC II L.P. (f/k/a ZMC Capital II L.P.) (“Fund II” and together with Fund I, the “ZMC Funds”), Fund II’s alternative investment vehicle and certain other private investment partnerships which co-invest in certain Portfolio Investments (as defined below) made by the ZMC Funds (each, a “Co-Invest Fund” and, together with the ZMC Funds, the “Funds”). The Funds seek to make private equity investments in middle-market media companies and specifically target special situations, management turnarounds and transitional growth opportunities. Although investments are made predominantly in non-public companies, investments in public companies are permitted.

Certain Funds may make investments through alternative investment vehicles (“AIVs”) or special purpose vehicles (“SPVs”) that ZMC and its affiliates form to facilitate investments for tax, regulatory, or other structuring reasons. The AIVs and SPVs have not been separately reported or listed herein or in ZMC’s Form ADV Part 1A. Their assets are included in ZMC’s reported regulatory assets under management, the gross asset values of the Funds to which they relate and the amount of client funds and securities in custody.

The following general partner entities are affiliated with ZMC: ZMC Partners, LLC, ZMC Titan Partners, LLC, ZMC Centerstage Investment LP, ZMC Partners II, L.L.C. and ZMC Partners II (Cayman), L.P. (each a “GP Entity”). Each GP Entity is subject to the Advisers Act pursuant to ZMC’s registration in accordance with SEC guidance. This brochure also describes the business practices of the GP Entities, which operate as a single advisory business together with ZMC.

ZMC was established in 2001 to make private equity investments in media-related companies. From the formation of ZMC in 2001 until the formation of the ZMC Funds in 2008, affiliates of ZMC made seven private equity investments in media-related companies (the “Non-ZMC Fund Investments”), partnering with certain unaffiliated investment firms. ZMC affiliates sourced six of these investment opportunities and presented each to its equity partners. In addition, an affiliate of ZMC entered into a management agreement with certain shareholders of Take-Two Interactive Software, Inc. (“Take-Two”) to oversee and supervise the operations of Take-Two and to provide assistance with respect to formulating its long-term business strategies, securing, negotiating and structuring financings and pursuing strategic transactions. ZMC continues to provide management and advisory services to four of the Non-ZMC Fund Investments.

As of December 31, 2018, ZMC managed approximately \$831 million on behalf of the Funds on a discretionary basis.

In providing services to the Funds, ZMC formulates the investment objective for each Fund, directs and manages the investment and reinvestment of each Fund’s assets, and provides periodic reports to investors in each Fund. From time to time, where such investments consist of Portfolio Companies, the senior principals or other personnel of ZMC or its affiliates typically serve on such

Portfolio Companies' respective boards of directors or otherwise act to influence control over management of Portfolio Companies in which the Funds have invested. Investment advice is provided directly to each Fund and not individually to the limited partners, members or similar investors in any Fund. ZMC manages the assets of each Fund in accordance with the terms of the governing documents applicable to each such Fund (each, a "Fund Agreement").

Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Fund Agreement. The Funds or the GP Entities have entered into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Fund Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Fund Agreement, ZMC expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, ZMC's personnel and/or certain other persons associated with ZMC and/or its affiliates (e.g., a vehicle formed by ZMC's principals to co-invest an annually specified percentage alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the Portfolio Company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in ZMC's sole discretion, ZMC is authorized to charge interest on the purchase to the co-investor or co-invest vehicle, and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

Interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements of private transactions within the United States.

Item 5: Fees and Compensation

ZMC Funds

Management Fees. ZMC receives an investment management fee payable quarterly in advance (the “Management Fee”) from each ZMC Fund. The ZMC Funds are generally charged the Management Fee with respect to each limited partner that equals 2.0% per annum of each limited partner’s capital commitment to such ZMC Fund during its commitment period; thereafter, the Management Fee is 2.0% per annum of each limited partner’s capital contributions with respect to Portfolio Investments made by such ZMC Fund which have not been disposed of at the beginning of the fiscal quarter. Generally, limited partners joining a ZMC Fund after its initial closing contribute their allocable share of the Management Fee that otherwise would have been payable had all limited partners been admitted at the initial closing, plus an additional amount (“Additional Amount”) charged from the date such Management Fees would have been paid. For Fund I, the Additional Amount is the prime rate plus 2%, and for Fund II, the Additional Amount is the greater of (i) the prime rate plus 2% and (i) 8%. Each limited partner’s share of the Management Fee (other than any Additional Amounts) will reduce its unfunded commitments to the ZMC Fund. Management Fees are generally due quarterly in advance and are pro-rated based on the number of days elapsed in such period. In the event that an advisory contract is terminated before the end of a Management Fee period, ZMC will refund the overpayment of the Management Fee (computed on the basis of the number of days elapsed).

The precise amount of, and the manner and calculation of, the Management Fees for each ZMC Fund are established by ZMC through negotiations with investors in the applicable ZMC Fund, and are set forth in the applicable Fund Agreements. The Management Fees described above are generally subject to waiver or reduction by ZMC in its sole discretion, both voluntarily and on a negotiated basis with select investors. Fees may differ from one ZMC Fund to another, as well as among investors in the same ZMC Fund. In certain cases, the rate of Management Fees payable by any investors in the ZMC Funds will be lower the larger the size of the investment in the ZMC Funds made by the investor.

Carried Interest Allocations. Carried interest is a share of the net profits realized on the investments paid to each ZMC Fund’s general partner as an incentive for ZMC to maximize the performance of such ZMC Fund. The ZMC Funds are generally subject to a carried interest of 20% of profits derived from investments, including their disposition and current income generated by such investments, after limited partners receive a preferred return of 8% per annum. The ZMC Funds’ general partners are also subject to a clawback pursuant to the terms of each Fund Agreement, which requires that the general partner return, at the termination of the relevant ZMC Fund, any carried interest paid to it in excess of the amount that it is entitled to receive. In addition to this final clawback, the Fund II general partner is subject to an interim clawback each time carried interest is to be distributed to the Fund II general partner following the end of Fund II’s commitment period. To the extent such proposed carried interest distribution would cause the Fund II general partner to receive an amount of carried interest in excess to what it would otherwise be entitled, assuming that all remaining unrealized investments are sold for their fair market value (an “Interim Deficiency”), all or a portion of the proposed carried interest distribution up to the Interim Deficiency will be placed into escrow. These escrowed amounts can be released to the Fund II general partner at any time after the commitment period if there is no Interim Deficiency at such time or will be released to the Fund II limited partners or general partner, as applicable, at the final

clawback. See Item 6 – “Performance Based Fees and Side- by-Side Management” below for more information regarding carried interest paid by the ZMC Funds.

ZMC is permitted to exempt certain exempted investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including ZMC and any other person designated by ZMC. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by ZMC and/or its affiliates, or through other Funds which co-invest with a Fund.

Other Fees. In addition, ZMC and its affiliates perform management, advisory, and other services (including serving on the board of directors) (“Related Services”) for, and receive fees from, actual or prospective Portfolio Companies (as defined below) or other investment vehicles of ZMC Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, and similar transactions. These fees are often substantial and may be paid in cash, in securities of the Portfolio Companies or investment vehicles (or rights thereto) or otherwise. The terms of such fee agreements typically provide for a periodic fee which is either fixed or determined based on the performance of the Portfolio Company. The terms of a monitoring agreement may in certain instances provide for an acceleration of fees paid to ZMC or its affiliate upon termination following certain milestones, such as an initial public offering or sale, and where the lump-sum termination fee may be calculated as the present value of hypothetical foregone future payments (which in some cases extend past the term of a ZMC Fund and may be based on an assumed growth in EBITDA or other metric used to calculate the fee) and be calculated using a discount rate as low as the risk-free rate, as determined by ZMC. Furthermore, fees for Related Services are often established upon the initial consummation of an investment. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant Portfolio Company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. In the event that ZMC or a Principal or employee, on behalf of ZMC, receives stock of a Portfolio Company as fees or compensation for serving on the board of such Portfolio Company, ZMC or the recipient of stock may act in its own interest and may determine to sell or hold onto the distributed securities for such time as it shall determine, which creates a conflict of interest between ZMC and/or its related persons, on the one hand, and the ZMC Fund, on the other.

The Management Fee payable by each ZMC Fund is subject to offset by certain of the fees described above and shared with the ZMC Fund’s limited partners (excluding limited partners affiliated with ZMC) pursuant to an offset formula defined in the Fund Agreements.

For Fund I, the Management Fee is reduced by the Fund’s Share (as defined below) of the following amounts (without duplication):

- (i) first, (A) 50% of the Fund’s Share of the first \$2 million of any cash and non-cash fees (“Monitoring Fees”) paid to or received by ZMC and its affiliates from a Portfolio Company that are accrued in any fiscal year in connection with the ongoing management and operations services provided to such Portfolio Company, plus (B) 80% of the Fund’s Share of any Monitoring Fees accrued by such Portfolio Company in excess of \$2 million in any fiscal year; and

- (ii) second, (A) 50% of the Fund’s Share of all acquisition, directors’,

consulting, investment banking, closing, topping, break-up and other similar fees (collectively, “Other Fees”) received by ZMC and its affiliates during the fiscal year that for each Portfolio Company do not together exceed the greater of (x) \$500,000 per fiscal year and (y) 2.5% of the enterprise value of such Portfolio Company per fiscal year, plus (B) 80% of the Fund’s Share of all Other Fees received by ZMC and its affiliates during such fiscal year in excess of \$500,000 or 2.5% of the Portfolio Company’s enterprise value, as determined in good faith by ZMC at the time of investment or follow-on investment, as applicable.

For Fund II, the Management Fee is reduced by (i) first, 75% of the Fund’s Share of any Monitoring Fees accrued by each Portfolio Company in any fiscal year and (ii) second, 75% of the Fund’s Share of all Other Fees received by ZMC and its affiliates during the fiscal year.

The remaining portion of any Monitoring Fees or Other Fees that is not applied to reduce Management Fees in the manner described above (“Supplemental Fees”) generally will be retained by ZMC. The Management Fees for both ZMC Funds are further reduced by 100% of any Placement Fees (as defined below) and, in the case of Fund II, any expenses incurred in connection with the organization of Fund II and the marketing and offering of interests therein which are in excess of \$2 million in the aggregate (“Excess Organizational Expenses”).

The “Fund’s Share” of Monitoring Fees, Other Fees, Placement Fees and Excess Organizational Expenses (if applicable) subject to the foregoing Management Fee offsets is determined, with respect to each ZMC Fund, by allocating such fees and expenses among such ZMC Fund and any of its parallel funds, successor funds, other funds affiliated with its general partner and any unaffiliated persons investing alongside such fund, as applicable (together, the “Investing Entities”), based upon the ratio of the aggregate capital contributions made by such ZMC Fund with respect to the related Portfolio Investment to capital contributions made by all Investing Entities with respect to the related Portfolio Investment (or capital commitments in the case of net break-up and topping fees). Each Fund’s Share of Management Fee offsets is further allocated among its limited partners who pay Management Fee pro rata based upon their respective capital contributions to the related Portfolio Investment (or capital commitments in the case of net break-up and topping fees).

Certain Partnership Agreements permit ZMC to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant ZMC Fund on such General Partner’s behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to such ZMC Fund. The limited partners of such ZMC Fund may be required to make a pro rata contribution according to their respective capital commitments to fund any contribution that would otherwise be required of ZMC in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant.

The Fund Agreements permit ZMC and its affiliates to receive fees (including fees of the type described by the term “Other Fees”) from companies other than Portfolio Companies and their affiliates, including Co-Invest Funds, and those involved in the ZMC Funds’ unconsummated

transactions. ZMC and such affiliates have no obligation to reduce or offset the Management Fees described above in respect of such fees or share such fees in any way with investors.

The foregoing Management Fee offsets are net of out-of-pocket expenses incurred by ZMC or its affiliates in connection with the transactions or services out of which such fees arose that are not reimbursed by the relevant ZMC Fund or Portfolio Company. To the extent the foregoing offsets would reduce the Management Fee for a given quarterly period below zero, such offsets are carried forward and reduce future installments of the Management Fee. If any such offsets remain upon dissolution of a ZMC Fund, ZMC will pay to each limited partner that elected at the time of its admission to the relevant ZMC Fund to receive its pro rata share of any remaining offsets, its pro rata share of such remaining amounts in cash.

Detailed information regarding the fees charged to the ZMC Funds is provided in each ZMC Fund's confidential private placement memorandum (the "Confidential Private Placement Memoranda") and Fund Agreement. Each ZMC Fund will generally pay all expenses related to its own operations, including: (i) fees, costs and expenses of tax advisors, legal counsel, auditors, consultants and other professionals and service providers (including any costs and expenses relating to the establishment and maintenance of a web- or software-based investor reporting portal); (ii) all out-of-pocket fees, costs and expenses, if any, incurred in developing, negotiating, structuring, and disposing of actual Portfolio Investments, including, without limitation, any financing, legal, accounting, advisory and consulting expenses in connection therewith; (iii) out-of-pocket fees, costs and expenses, if any, including (a) any legal, accounting, advisory, market research, consulting or other third-party expenses in connection therewith and any travel expenses (including private charter, first class, and/or business class airfare, lodging, ground transportation, and travel meals), (b) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources and (c) any deposits or down payments of cash or other property which are forfeited in connection with a proposed Portfolio Investment, in each case, which are incurred in developing, negotiating and structuring prospective Portfolio Investments that are not ultimately made (collectively, "Broken Deal Expenses"); (iv) brokerage commissions, custodial expenses, agent bank and other bank service fees and other investment costs, fees and expenses actually incurred in connection with actual Portfolio Investments; (v) interest on and fees and expenses arising out of all borrowings made by such ZMC Fund, including, but not limited to, the arranging thereof; (vi) the costs of any litigation, directors and officers liability or other insurance, and any indemnification or extraordinary expense or liability relating to the affairs of such ZMC Fund; (vii) expenses of liquidating such ZMC Fund; (viii) any taxes, fees or other governmental charges levied against the such ZMC Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of such ZMC Fund; (ix) all out-of-pocket expenses incurred in connection with the organization of such ZMC Fund and the marketing and offering of interests therein (including placement fees or commissions, or interest thereon) and the organization and startup of its general partner, including without limitation any related legal and accounting fees and expenses, travel expenses (including private charter, first class, and/or business class airfare, lodging, ground transportation, and travel meals), capital raising expenses, filing fees and other expenses incurred by a placement agent; (x) the fees and expenses of the LP Advisory Committee (as defined below) and such ZMC Fund's board of strategic advisors, and meetings of such ZMC Fund's limited partners; (xi) the fees, salaries (if any) and expenses of certain third-party operating executives who assist the general partner or ZMC on various matters related to such ZMC Fund, including sourcing investments, conducting due diligence, facilitating transaction execution and overseeing Portfolio Investments (provided,

however, that such fees, salaries and expenses may be paid (or reimbursed to such ZMC Fund) by a Portfolio Company directly); and (xii) costs and expenses of entering into and negotiating side letters and providing “most favored nation” rights with respect thereto and of obtaining and delivering legal opinions. Out-of-pocket expenses associated with completed transactions, including reasonable travel expenses, are generally reimbursed by Portfolio Companies or capitalized as part of the acquisition price of the transaction.

Each ZMC Fund will generally bear all Broken Deal Expenses in connection with its co-investment opportunities and similar arrangements, including any third-party investor’s share of such Broken Deal Expenses; however, such ZMC Fund will not be obligated to pay such expenses if such investment is ultimately completed by such ZMC Fund’s general partner or its affiliates (other than such ZMC Fund). In addition, ZMC, such ZMC Fund, its general partner and/or any of their respective affiliates may incur certain out-of-pocket costs and expenses in developing, negotiating and structuring prospective investments that are not ultimately made, including Broken Deal Expenses. If a prospective counterparty in an unconsummated transaction reimburses such ZMC Fund or any of its affiliates for any Broken Deal Expenses (such amount, the “Reimbursed Amount”), the ZMC Fund general partner or its affiliates may in their sole discretion agree to share any or all of such Reimbursed Amount with third-party investors that participate in co-investment opportunities or similar arrangements to the extent such third-party investors incurred costs and expenses in connection with such unconsummated deals. As a result of these sharing arrangements, such ZMC Fund may not be reimbursed for 100% of its Broken Deal Expenses. Similarly, if a prospective counterparty pays such ZMC Fund or any of its affiliates a break-up fee in connection with an investment that ultimately does not close, the ZMC Fund general partner may in its sole discretion share any or all of such break-up fee with third-party investors that participate in co-investment opportunities or similar arrangements. As a result, such ZMC Fund may not receive 100% of such break-up fees.

Gen II Fund Services, LLC provides certain fund administration services to the Funds, which are borne by investors therein as fund expenses.

Investors should review all fees charged by ZMC and its affiliates to fully understand the total amount of fees to be paid by the ZMC Funds and, indirectly, their limited partners.

Co-Invest Funds

ZMC does not currently receive any management fees with respect to any of the Co-Invest Funds, although the terms of each Co-Invest Fund are subject to negotiation with the investors thereof and future Co-Invest Funds may provide for the payment of a management fee. ZMC’s performance based fees and other compensation payable with respect to profits interests in such Co-Invest Funds are established at the time of the formation of the relevant vehicle and are highly negotiated with participating investors prior to making their respective investment, and these profits interests vary on an investment-by-investment basis. Typically, an affiliate of ZMC will receive performance based payments from Co-Invest Funds only after all contributed capital is returned to the other investors, in an amount of up to 20% of the profits of such Co-Invest Fund. In addition, co-investment fees realized by ZMC or its affiliate and the costs that the co-investor bears, including the extent to which a co-investor would share in any Broken Deal Expenses, are negotiated by ZMC or its affiliate on a case-by-case basis. This may result in the ZMC Fund investors bearing all such Broken Deal Expenses. Investors in the Co-Invest Funds are encouraged to carefully

review the applicable Fund Agreements for details concerning such performance based fees.

Placement Fees

To the extent a ZMC Fund incurs fees, commissions and expenses (including interest thereon) of a placement agent or other person hired by its general partner to solicit investors (“Placement Fees”), such ZMC Fund will bear such Placement Fees, and its limited partners’ shares of the Management Fees (to the extent Placement Fees are paid by the ZMC Fund with respect to such limited partners’ respective investments in the Fund) will be reduced on a dollar-for-dollar basis. Certain limited partners who are prohibited by law or policy from directly or indirectly paying Placement Fees do not pay any share of a ZMC Fund’s Placement Fees and thus do not receive any corresponding reduction of their Management Fees.

Advisor Expenses

Expenses incurred in connection with the provision of advisory services to our clients, including fees and expenses incurred for investor reporting (excluding any costs and expenses relating to the establishment and maintenance of a web- or software-based investor reporting portal) and with respect to registering and complying with the U.S. Securities and Exchange Commission and maintaining such registration, including preparing and updating Form ADV (but, for the avoidance of doubt, excluding any fees and expenses specifically related to a Fund’s organization and holdings, including Form PF and other filings related to the offering of Fund interests in particular jurisdictions), are borne by ZMC. As a general matter, fees and expenses are allocated, in full or in part, to a ZMC Fund or ZMC Funds, and/or ZMC, in accordance with the applicable Fund Agreement(s). For example, ZMC and ZMC Funds currently purchase insurance under an “umbrella” policy and such insurance premiums are typically borne by the ZMC Funds. ZMC may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses between itself and the ZMC Funds, as well as among the Funds. ZMC has implemented written policies, procedures, and guidelines designed to mitigate such conflicts of interest.

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

As described above, ZMC or its affiliates receive a carried interest of up to 20% from each Fund, which calculation is based on the profits generated on the sale or disposition of Fund assets, as well as current income generated from such assets.

The carried interest creates an incentive for the general partners of the Funds to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such carried interest were not allocated to the general partners. ZMC manages this potential conflict of interest by ensuring that no single person makes material investment decisions; instead, investment decisions are made by an investment committee, which consists of the managing members of the general partner of each ZMC Fund. In addition, the general partner of each ZMC Fund generally maintains interests in the ZMC Funds on the same basis (except with respect to the payment of Management Fees and carried interest) as outside investors; this also serves to alleviate the incentive to engage in riskier or more speculative investments. Lastly, the presence and participation of third-party co-investors in each Co-Invest Fund reduces the likelihood that ZMC or its affiliate can negotiate to receive excess carried interest from such Co-Invest Fund at the expense of the applicable ZMC Fund participating

in the same investment.

Additionally, in order to mitigate and opine upon potential conflicts of interest, each of the ZMC Funds has established an independent advisory committee (each, an “LP Advisory Committee”) consisting of limited partners unaffiliated with ZMC who have been selected by the general partner of each ZMC Fund as representatives of such ZMC Fund’s limited partners. The purpose of the LP Advisory Committee is to: (i) consult with the general partner with respect to any matter as to which the general partner determines in good faith creates a conflicts of interest; (ii) give consents required of the “client” under the Advisers Act; and (iii) provide advice and counsel on other issues requested by the general partner or required pursuant to the governing documents of the relevant ZMC Fund in connection with other potential conflicts of interest, valuation matters, additional fees received by the general partner and other matters relating to the relevant ZMC Fund. No fees are paid to the members of an LP Advisory Committee, but the members may be reimbursed for reasonable out-of-pocket expenses incurred in connection with attending meetings of an LP Advisory Committee.

None of the Funds invest in or share any investment opportunities with any of the Non-ZMC Fund Investments.

Item 7: Types of Clients

ZMC provides discretionary investment advisory services to the Funds. Investors in the ZMC Funds consist primarily of high net worth individuals and related trusts, corporate and public pension plans, pooled investment vehicles (e.g. funds of funds), school trusts, charitable foundations and endowments and insurance companies. Investors in the Co-Invest Funds are typically limited partners in the ZMC Funds or third parties who have expressed an interest in, and have the ability and resources to, participate in such co-investment opportunities. The minimum commitment for a limited partner of a ZMC Fund is outlined in each ZMC Fund’s Confidential Private Placement Memorandum; however, ZMC maintains discretion to accept less than the minimum investment threshold.

Investors are required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, being a “qualified purchaser” as set forth in Section 3(c)(7) of the Investment Company Act and being a “qualified client” as defined in Rule 205-3 under the Advisers Act. Also, limited partners are required to make certain representations when investing in a ZMC Fund, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the ZMC Fund. Details concerning applicable investor suitability criteria are set forth in the respective ZMC Fund’s Confidential Private Placement Memorandum and subscription materials, which are furnished to each limited partner.

Co-Investment

Where appropriate, ZMC provides certain (but not all) investors in the ZMC Fund or third parties the opportunity to co-invest, typically through a Co-Invest Fund. These Co-Invest Funds are organized by ZMC to facilitate specific investments alongside a particular ZMC Fund, taking into

account the applicable ZMC Fund's investment limitations, the size of the investment opportunity and the demand among potential co-investors. ZMC will allocate the available investment among applicable ZMC Fund, any Co-Invest Fund and any other third parties as it may in its sole discretion determine.

Alternative Investment Vehicles

Alternative investment vehicles may be used whenever the general partner of a ZMC Fund determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of any or all of its limited partners that all or any portion of a particular investment be made through an investment structure outside of such ZMC Fund. Participants in such investments are generally required to make all or a portion of their investments through such alternative investment vehicle, which invests in lieu of the applicable ZMC Fund, and are required to make capital contributions directly to each such alternative investment vehicle to the same extent, for the same purposes and on the same terms and conditions as limited partners are required to make capital contributions to such ZMC Fund. Each such limited partner has the same economic interest in all material respects in the investment made through an alternative investment vehicle as such limited partners would have if such investment had been made by the applicable ZMC Fund, and the other terms of such alternative investment vehicle are substantially identical in all material respects to those of such ZMC Fund, to the extent applicable.

Non-ZMC Investments

Prior to forming Fund I, affiliates of ZMC completed the seven Non-ZMC Fund Investments as a fundless sponsor, in which ZMC affiliates partnered with one or more other private equity firms who provided all or substantially all of the capital and a ZMC affiliate served as the "management partner." For six of these investments, such ZMC affiliate sourced the investment opportunity and presented it to the relevant equity partner. In addition, an affiliate of ZMC entered into a management agreement to oversee and supervise the operations of Take-Two and to provide assistance with respect to formulating its long-term business strategies, securing, negotiating and structuring financings and pursuing strategic transactions. ZMC continues to have a highly active role in the management of four of these companies (generally serving as non-executive chairman of the board of directors or a similar role) and has significant influence on the operating performance, growth trajectory and strategic transactions of these investments. Significant investment decisions, however, including the terms of the initial investment and realization of the investment, may require the approval of each relevant equity partner (in consultation with ZMC).

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

ZMC seeks to leverage its understanding of the media and communications industries to target and acquire companies that it believes will benefit from macro industry trends. The specific sectors that ZMC targets include, but are not limited to, direct marketing, market research and information services, as well as certain segments of the television, radio, out-of-home advertising, publishing, communications and music businesses.

The ZMC Fund's investment objective is to generate significant capital appreciation by making private investments ("Portfolio Investments") principally in equity or equity-oriented securities (including preferred stock and debt securities purchased in connection with equity investments, or

which offer equity-like returns) of media companies (“Portfolio Companies”). The ZMC Funds and, to the extent applicable, the Co-Invest Funds broadly target two types of investment opportunities: (i) special situations or management turnarounds and (ii) transitional growth companies. ZMC typically sources deals by (i) identifying trends believed to have a potentially significant impact on the media and communications industries, (ii) proactively and repeatedly building and maintaining industry relationships with entrepreneurs, C-level executives and corporate development departments of major media and communications companies and (iii) participating in active auction processes and capitalizing on failed auctions. ZMC’s investment approach includes value investing, operating driven diligence, conservative use of leverage and structuring for downside protection.

The ZMC Funds seek investment opportunities typically ranging from \$20 million to \$250 million in middle-market companies with enterprise values typically ranging from \$50 million to \$500 million, including the active targeting of out-of-favor sectors and contrarian opportunities where valuations are discounted and potential returns are enhanced. The ZMC Funds have the ability to target larger Portfolio Investments or Portfolio Companies and, in such cases, invite co-investors to participate through a Co-Invest Fund to keep the ZMC Fund’s investment within the preferred size range. The ZMC Funds utilize a broad range of transaction structures, including management and leveraged buyouts, recapitalizations, corporate divestitures, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments.

The investment activities of the ZMC Funds are directed by key investment professionals, Strauss Zelnick, Seymour Sammel, Karl Slatoff, Jordan Turkewitz and Andrew Vogel (collectively, the “Principals”). The Principals are supported by ZMC’s investment professionals. ZMC’s investment decision-making process generally includes informal, collaborative discussions on an ongoing basis and a formal approval by the Principals for each new investment. The subsequent Portfolio Company monitoring processes, which are designed to ensure the timely and successful execution of each investment’s business plan, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

All investing involves a risk of loss and the investment strategy offered by ZMC could lose money over short or even long periods. An investment in a Fund is a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Fund. No guarantee or representation is made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. Investors should review in detail the applicable Fund Agreement prior to making an investment in such Fund.

Risks and potential conflicts of interest include, but are not limited to, the following:

Past Performance Not Indicative of Future Results. The past performance of ZMC’s Portfolio Investments (including the Non-ZMC Fund Investments) is not necessarily indicative of future results. Among other factors, many of ZMC’s current Portfolio Investments are unrealized. The actual realized proceeds on these unrealized investments will depend on each company’s future operating results, the value of the assets and market conditions at the time of any realization, the amount of any related transaction costs and the timing and manner of realization. The investment returns realized from these unrealized investments may differ materially from the returns generated

by realized investments. There can be no assurance that the Funds will generate investment returns commensurate with ZMC's historical performance.

No Assurance of Investment Return. There is no assurance that the Funds will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Funds will be able to generate returns for their investors, or that the returns will be commensurate with the risks of investing in the type of companies and transactions targeted by ZMC. There can be no assurance that projected or targeted returns for the Funds will be achieved or that their respective investors will receive a return of their capital. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment.

Reliance on ZMC and its Affiliates and the Advisor. ZMC and its affiliates generally have exclusive responsibility for the Funds' activities. Investors have no rights or powers to take part in the management of the Funds or to make investment decisions, including disposition decisions, and will not receive the level of Portfolio Company financial information that will be available to ZMC and its affiliates. The success of the Funds depends on the skill and ability of the Principals to identify and consummate suitable investments and to dispose of such investments at a profit. The loss of the services of one or more of the Principals, in particular Strauss Zelnick, could have an adverse impact on the Funds' prospects and their ability to realize their investment objectives. There can be no assurance that each of the Principals will continue to be affiliated with the Funds throughout their anticipated terms.

Other Activities. The Principals and other employees of ZMC devote only such portion of their time to the affairs of the Funds as they in good faith consider necessary for the proper performance of their duties. Other activities of ZMC, including managing ZMC's existing portfolio of investments and working with companies in ZMC's advisory portfolio (including the Non-ZMC Fund Investments), require those individuals to devote varying amounts of their time to matters unrelated to the business of the ZMC Funds and Co-Invest Funds. In addition, the Principals and other employees of ZMC are not prohibited from taking on additional activities in the future. ZMC's other activities can pose conflicts in the allocation of management resources, including the time and attention of the Principals. The Funds will have no interest in these other activities.

No Independent Investment Record. Prior to the formation of the ZMC Funds, all of ZMC's investments had been made with unaffiliated private equity firms that made their own, independent investment decisions, provided substantially all of the capital, hold a majority of the voting equity securities and control the boards of directors of the Portfolio Companies. As a result, while ZMC has or shares a primary role in determining the strategic plan for these Portfolio Companies and directing the execution of the plan by company management, ZMC did not have the sole authority to acquire the companies and does not control decisions about material corporate transactions that require board or shareholder approval, including mergers, acquisitions and asset sales. Investments by the ZMC Funds require a consensus among the Principals, with a final determination by Mr. Zelnick. ZMC and its affiliates will have sole decision-making authority with respect to Portfolio Investments and expects to control the material corporate decisions of its Portfolio Companies.

Concentration of Investments in the Media and Communication Industries. The Funds' Portfolio Investments are concentrated in the media and communication sectors. Concentration in only one or a few industries involves risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. Instability, fluctuation

or overall decline within the media industry will likely not be balanced by investments in other industries not so affected. In the event that the media sector as a whole declines, returns to investors may decrease. In addition, media and communication companies in the United States, Canada, Europe and elsewhere are undergoing rapid change as a result of evolving government regulations, development of new technologies, changing market conditions and new or improved competing products and services. The Funds' Portfolio Companies compete in this volatile environment. There is no assurance that products or services provided by Portfolio Companies will not be rendered obsolete or adversely affected by competing products or services or that Portfolio Companies will not be adversely affected by regulatory changes or other challenges.

Regulatory Considerations. The provision of media and communication services in all parts of the world is governed by different statutes, rules and regulations promulgated by international, national, state and local government entities. These regulations cover all aspects of the provision of media services, including the allocation and use of the electromagnetic spectrum and the quality of service provided by the entity, as well as determine whether an entity is qualified to provide such services. The form and content of these regulations can be subject to all types of political, market and social forces at every level of regulatory authority. For example, some regulations govern the qualifications and/ or ownership of entities that seek to provide regulated services to protect consumers or to control the concentration of economic power in a specific market segment. Under these rules, entities wishing to provide certain services may need to be licensed or obtain some other authorization to provide services. Moreover, these entities may be subject to ownership and control restrictions, limitations on rates, specific technical requirements, reporting requirements, and the payment of various fees, taxes or other levies. Accordingly, regulation of the media industry can have a dramatic effect on any entity participating in this industry. Additionally, there is no assurance that governments or regulatory agencies will not adopt new laws or regulations, revise their view of existing rules and regulations, or take other actions that will have an adverse effect on the media industry or the ability of an entity to provide specific services or otherwise impact companies in which the Funds may invest or may have invested. Furthermore, some regulations concerning ownership and control of certain types of media entities may prevent certain potential investors in the Funds from making, or could prevent the Funds from making, certain investments that it might otherwise desire to make. These same regulations or others might also prevent investors in the Funds from making certain investments outside the Funds.

Risks in Effecting Operating Improvements. The Funds invest in underperforming media and communication assets, with the goal of improving the financial performance of these assets by implementing operational improvements. Identifying and implementing potential operating improvements at Portfolio Companies is difficult and entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such improvements or that such improvements, if made, will result in improved financial performance.

Investments in Corporate Divestitures. Some of the Funds have invested in the securities of companies that have been formed through divestitures from larger corporations. Investments in such companies involve greater risks than are generally associated with investments in more established companies. Companies that are divested from larger corporations have no experience operating as separate, standalone entities and may not have accounting, human resources or other systems in place to support their operations. Such companies often require extensive restructuring, new management expertise and a significant commitment of financial and managerial resources

from the Funds. Accordingly, some Portfolio Investments are speculative and there can be no assurance that the Funds will be able to transform these businesses into successful, stand-alone companies.

Assumption of Contingent Liabilities. In connection with an investment, the Funds often assume, or acquire a Portfolio Company subject to, contingent liabilities. These liabilities can be material and often include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized, they may materially adversely affect the value of the Portfolio Company. In addition, if the Funds have assumed or guaranteed these liabilities, the obligation would be payable from the assets of the Funds, including the unfunded commitments of their respective investors.

Investments in Turnaround Situations. The Funds make investments in Portfolio Companies that are experiencing or are expected to experience financial difficulties, including in companies that are producing net losses or negative operating EBITDA. The Funds will rely upon the Principals' operating and management skills to restructure the companies' operations and restore profitability. There can be no assurance that the Principals will be successful in implementing such changes or that the companies' financial difficulties will be overcome. In addition, such investments could subject the Funds and their investors to certain additional potential liabilities. For example, under certain circumstances, payments to the Funds and distributions by the Funds to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payout.

Reliance on Portfolio Company Management Teams. Each Portfolio Company's day-to-day operations will be the responsibility of such Portfolio Company's management team. Although ZMC will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will be able to operate the Portfolio Company successfully or implement any operational improvements in accordance with the Funds' plans. In addition, the Funds expect to acquire businesses or divisions that have been divested from strategic sellers and do not have centralized management structures or teams. There can be no assurance that such Portfolio Companies will be able to successfully build management structures and attract and retain suitable management personnel.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and successfully disposing of Portfolio Companies is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment funds and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity and hedge funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other, unrelated parties. Some of these competitors may have more relevant experience, greater financial resources and more personnel than ZMC and its affiliates. Competition for appropriate investment opportunities is expected to increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. There can be no assurance that the Funds will be able to identify or acquire Portfolio Companies satisfying their investment criteria or that such investments will satisfy the Funds' return objectives. Likewise, there can be no assurance that the Funds will be

able to realize the values of their investments or that they will be able to invest their committed capital.

Risk of Fewer, Larger Investments. The Funds make a limited number of Portfolio Investments, and the Co-Invest Funds, in particular, generally make only one Portfolio Investment. As a consequence, the aggregate returns of the Funds will be substantially adversely affected by the unfavorable performance of any single Portfolio Company. Since all of the Portfolio Investments cannot reasonably be expected to perform well or even return capital, for the Funds to achieve above-average returns, one or a few of these investments must perform very well. There can be no assurance that this will be the case. Moreover, other than as set forth in the Confidential Private Placement Memoranda, limited partners of the ZMC Funds have no assurance as to the degree of diversification of the ZMC Funds' investments by geographic region. In circumstances where ZMC and its affiliates intend to refinance all or a portion of the capital invested in a particular investment, there will be a risk that such refinancing may not be completed. In such situations, the ZMC Funds will bear the increased risk of an unintended, long-term equity investment and reduced diversification, and the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the ZMC Funds.

Use of Leverage. The Funds' Portfolio Investments are expected to include companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk than investments in non-leveraged companies. The Funds' investments have involved varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in the media sector) have had a more pronounced effect on the profitability or survival of certain Portfolio Companies. Moreover, rising interest rates significantly increase Portfolio Companies' interest expense, causing losses and/or an inability to service debt levels. If a Portfolio Company cannot generate adequate cash flow to meet debt obligations, the Funds will suffer a partial or total loss of capital invested in the Portfolio Company. In addition, borrowings by the Funds can be secured by capital commitments to such Funds as well as by the Funds' respective assets.

A ZMC Fund may also engage in financings directly at the fund level (rather than at the level of a particular investment or entities through which such ZMC Fund invests). The rights of any lenders making loans directly to a ZMC Fund to receive payments of interest or repayments of principal will be senior to those of the ZMC Fund's limited partners, and the terms of any borrowings may contain provisions that limit distributions to such limited partners or certain other activities of such ZMC Fund. Payments of interest and fees incurred in connection with the borrowings will reduce any income such ZMC Fund would otherwise have available. Such ZMC Fund's obligations to make interest and/or principal payments on borrowings may prevent such ZMC Fund from taking advantage of attractive investment opportunities. In addition, if such ZMC Fund does not generate sufficient cash flow from operations, it may not be able to repay borrowings, or it may be forced to sell investments at disadvantageous times to repay borrowings. If a default occurs under a financing, the lender may demand payment and pursue other remedies (such as foreclosure of any collateral) if payment is not made. Defaults may result from a number of potential issues, including without limitation the inability or failure to comply with financial covenants. Such ZMC Fund's performance may be adversely affected if it is not able to repay borrowings at maturity (because of the continuing interest expense) and/or if it is forced to sell investments at disadvantageous times in order to repay borrowings.

Accordingly, a ZMC Fund may make investments with proceeds from drawdowns under one or more subscription credit facilities (the collateral for which will be the remaining capital commitments of its limited partners) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be fund expenses and, accordingly, will decrease net returns of such ZMC Fund. In the event an investment acquired with proceeds of such borrowing loses value, the limited partners may be subject to capital calls to fund that loss as a fund expense by repaying the credit facility, including related interest and expenses. In the event an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to such ZMC Fund's limited partners without a preferred return accrual on the amount invested by such ZMC Fund (due to the absence of invested capital funded by its limited partners) prior to the determination of any performance compensation. Accordingly, borrowings by such ZMC Fund may support the distribution of proceeds to its limited partners and increase the potential performance compensation payable to its general partner, ZMC or their respective affiliates, which in turn may be subject to conflicts of interest.

Bridge Financing. From time to time, the Funds can lend to Portfolio Companies, including by using a subscription facility as described above, on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans are typically convertible into a more permanent, long-term security; however, for reasons not always in the applicable Fund's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans generally does not adequately reflect the risk associated with the unsecured position taken by such Fund.

Investment in Troubled Assets. The Funds make investments in nonperforming, underperforming or other troubled assets, under-capitalized companies or other restructurings which involve a degree of financial risk and are experiencing or are expected to experience severe financial difficulties. Such challenges may never be overcome and, as a result, may lead to a loss of some or all of such Fund's investment. These investments can be originated by financial institutions that are insolvent, in serious financial difficulty or no longer in existence and, as a result, the standards by which such investments were originated, the recourse to the selling institution or the standards by which such investments are being serviced or operated can be adversely affected. In addition, certain of the Funds' investments can be subject to compromise or discharge under the U.S. Bankruptcy Code. Investments in entities which later file for relief as debtors in proceedings under Chapter 11 of the U.S. Bankruptcy Code can, in certain circumstances, be subject to litigation which could further impair the value of the investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by such Fund can be reclaimed in such proceedings if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment or the equivalent under the laws of certain jurisdictions. Bankruptcy laws delay the ability of a Fund to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination. Bankruptcy laws also result in a restructure of the debt without the applicable Fund's consent under the "cramdown" provisions of the bankruptcy laws and can also result in a discharge of all or part of the debt without payment to such Fund. Non-U.S. jurisdictions often present analogous or different credit issues.

Reorganization Proceedings. The Funds' investments can include companies involved in reorganization proceedings. Such investments typically entail a number of risks that do not normally apply to investments in other companies. If ZMC's evaluation of the anticipated outcome of a reorganization or the timing of such outcome should prove incorrect, the applicable Fund's returns could suffer, and in some cases, such Fund could experience a loss of its capital. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain. Such considerations include, for example, inaccurate or dated financial information, competing interests or litigation among the participants in a reorganization or liquidation proceeding, the requirement to obtain mandatory or discretionary consents from various governmental authorities or others, the determinations of a particular judge in a court of equity, the deterioration of an operating business during a traumatic episode in the company's operating history, and uncertainty regarding the amount of administrative costs that might be incurred in a reorganization proceeding. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations that limit ZMC's access to reliable and timely information concerning material developments affecting a company or that cause lengthy delays in the completion of a reorganization or liquidation proceeding.

Investments in Portfolio Companies with Significant Real Estate Holdings. The Funds' have the ability to make investments in Portfolio Companies with significant real estate holdings that will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply of and demand for properties, energy and supply shortages, undisclosed or unknown environmental liabilities, changes in building, environmental and other laws or regulations, natural disasters, changes in tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress consumption and travel activity, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the Principals or ZMC. There can be no assurance that there will be a ready market for resale of such Portfolio Companies' real estate and real estate-related assets because such investments will generally not be liquid. Illiquidity may result from the absence of an established market for such investments, as well as legal or contractual restrictions on their resale by the Portfolio Company or the applicable Fund.

Financial Market Fluctuations. General fluctuations in interest rates and the market prices of securities and other assets can adversely affect the value of the Portfolio Investments held by the Funds. Instability and volatility in interest rates and the securities markets can also increase the risks inherent in the Funds' Portfolio Investments, as Portfolio Companies may need to refinance their outstanding debt as it matures. The ability of Portfolio Companies to refinance debt securities will depend on their ability to sell new securities in the public high-yield debt or equity markets or to borrow from banks or other lenders, which may not be achievable on favorable terms or at all. Companies within certain industries have generally experienced higher volatility than the overall securities markets and hence are subject to greater risk. There is a risk that Portfolio Companies are not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of their existing financing arrangements. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Funds' cash flows and the return on its investments.

Higher Interest Rates Could Adversely Affect Investment Returns. To the extent any of the Funds' financings are subject to floating interest rates, any increase in interest rates will increase such Funds' interest costs on such variable rate debt and could impact its ability to refinance debt when it matures. In addition, higher interest rates during the course of the investment period could adversely affect investment returns for such Funds. For example, unexpectedly large interest rate increases, together with the resulting tightening in credit markets, could lead to increased instances of default as borrowers may be unable to refinance loans with balloon payment features when such loans mature, which could ultimately lead to a total loss of principal for any one or more investments.

Non-U.S. Investments. The Funds expect to invest a portion or, in the case of certain Co-Invest Funds, all of their aggregate capital commitments outside the United States. The Principals have previously made only a limited number of significant investments outside the United States. Non-U.S. investments involve certain factors not typically associated with investing in U.S. transactions, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign markets, including differences in rules and regulations, potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) economic, social and political conditions, including foreign exchange control regulations, restrictions on foreign investment and repatriation of capital, the possibility of expropriation or confiscatory taxation, and political, economic or social instability; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (v) less developed corporate laws regarding fiduciary duties and the protection of investors.

Investments with Third Parties. The Funds often co-invest with third parties through partnerships, joint ventures or other entities thereby acquiring non-controlling interests in certain Portfolio Companies. As a result, the Funds have a limited ability to protect their position therein. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, including the Funds' ability to exit the investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds' investment objectives. In addition, the Funds will, in certain circumstances, be liable for the actions of its third party partners or co-investors.

Minority Investments. The Funds have invested in minority positions of companies for which the Funds have no right by themselves to exert significant influence. In some cases, the ZMC Funds are therefore significantly reliant on the existing management and board of directors, which include representatives of other investors with whom the Funds may not be affiliated and whose interests can conflict with the interests of the Funds. Often a Fund making a minority investment in a particular Portfolio Company will partner with trusted third-party co-investors with whom ZMC has collaborated on prior investments, and such Fund, together with such co-investment partners, will generally control the majority of such Portfolio Company's outstanding equity. Thus, we believe we are able to effect appropriate and desirable operational changes for such Portfolio

Companies. Nonetheless, while the Funds generally expect that appropriate minority shareholder rights will be obtained to protect their interests to the extent possible and/or suitable co-investment partners will participate alongside the Funds allowing us to effectuate positive operational changes, there can be no assurance that such minority shareholder rights will be available, that such co-investment partners will participate in the investment or that such rights or co-investment arrangements will provide sufficient protection of the Funds' interests.

Illiquid and Long-Term Investments. Many of the Funds' investments will be highly illiquid. There can be no assurance that the Funds will be able to monetize such investments in a timely manner, or at all. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to their partners. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the investment is made. The Funds will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. In some cases, the Funds may be prohibited by contract from selling certain securities for a period of time, and as a result may not be permitted to sell a Portfolio Investment at a time it might otherwise do so. Even where the Funds hold freely tradable publicly traded securities, the Funds' position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity in the event that the Funds wished to dispose of or reduce their position in such company by selling shares into the market. As a result, there most likely will be little or no near-term cash flow available to investors from their investments in the Funds.

Investments Longer Than Term of the Funds. The Funds may make investments that cannot be advantageously disposed of prior to the date that the Funds are dissolved, either by expiration of the Funds' term or otherwise. Although ZMC and its affiliates expect that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Funds, in such circumstances, would have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Contingent Liabilities upon Disposition. In connection with the disposition of an investment, the Funds are often required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business or assets and are responsible for the content of disclosure documents under applicable securities laws. The Funds can also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements result in contingent liabilities, which are borne by the Funds, and limited partners are required to return amounts distributed to them to pay for the Funds' indemnity obligations to the extent the Funds have inadequate assets to otherwise meet such obligations.

Hedging Policies/Risks. In connection with the acquisition, holding, financing, refinancing or disposition of certain investments, the Funds have the ability to employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices or currency exchange. The costs of such hedging techniques will be borne by the Funds. While hedging transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates can result in a poorer overall performance for the Funds than if they had not entered into hedging transactions.

Indemnification. The Funds are be required to indemnify ZMC and its affiliates, and each of their respective officers, directors, agents, stockholders, members, partners and employees, any other person who serves at the request of ZMC and its affiliates on behalf of the Funds as an officer, director, agent, partner, member or employee of any other entities, and any member of the LP Advisory Committee for liabilities incurred in connection with the affairs of the Funds and otherwise as provided in the Fund Agreements. Such liabilities can be material, which would have an adverse effect on the returns to investors. For example, in their capacity as directors of Portfolio Companies, the Principals and other affiliates of ZMC can be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Funds would be payable from the assets of the Funds. If the assets of the ZMC Funds are insufficient, ZMC and its affiliates may recall distributions previously made to investors (subject to certain limitations set forth in the applicable Fund Agreements).

Provision of Managerial Assistance to the Assets of the ZMC Funds. ZMC and its affiliates intend to use reasonable efforts to avoid having the assets of the ZMC Funds constitute “plan assets” of any plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Internal Revenue Code of 1986, as amended, and may, in this regard, elect to operate the ZMC Funds as a “venture capital operating company” (“VCOC”) within the meaning of regulations promulgated under ERISA or meet another exemption from the ERISA “plan asset” regulations. Operating the ZMC Funds as a VCOC requires that the ZMC Funds obtain rights to substantially participate in or substantially influence the conduct of the management of a number of the ZMC Funds’ Portfolio Companies. The ZMC Funds will typically designate one or more directors to serve on the board of directors of each Portfolio Company as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the ZMC Funds to claims by a Portfolio Company, its security holders and its creditors, as well as other persons who have a claim against the Portfolio Company.

ERISA Considerations. In the event that ZMC and its affiliates operate the ZMC Funds so as to qualify as a VCOC, as discussed above, the ZMC Funds may be restricted or precluded from making certain investments. In addition, it could be necessary for ZMC and its affiliates to liquidate an investment at a disadvantageous time in order to avoid holding ERISA “plan assets,” resulting in lower proceeds to the ZMC Funds than might have been the case without the need to qualify as a VCOC.

Liability of the ZMC Funds and Their Partners. ZMC and its affiliates have unlimited liability for all debts and obligations of the ZMC Funds. Except as provided below, the total liability of a ZMC Fund limited partners is limited to the amount of their respective capital commitments, except in certain circumstances whereby limited partners were involved in the management or otherwise engaged in the business of the ZMC Funds or externally represented the ZMC Funds. Any ZMC Fund partner’s capital commitment is susceptible to risk of loss as a result of any liability of the ZMC Funds irrespective of whether such liability is attributable to an investment to which such partner contributed any capital. If the ZMC Funds is otherwise unable to meet its obligations, the limited partners would, under applicable law, be obligated to return, with interest, distributions previously received by them, pursuant to any rules regarding fraudulent conveyances, to the ZMC Funds or to creditors whose interests have been injured. In addition, a limited partner would be liable under applicable bankruptcy law to return a distribution made during the ZMC Funds’ insolvency. For additional information on the liability of limited partners, see the

Confidential Private Placement Memoranda.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes could occur during the term of the Funds that would adversely affect the Funds, Portfolio Companies or investors. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. Moreover, the provision of media services in all parts of the world is governed by different statutes, rules and regulations promulgated by international, national, state and local government entities. These regulations cover all aspects of the provision of media services, including the allocation and use of the electromagnetic spectrum and the quality of services provided by the entity, and determine whether an entity is qualified to provide such services.

Absence of Regulatory Oversight. While the Funds may be considered similar in some ways to an investment company, the Funds are not required and do not intend to register as such under the Investment Company Act. Accordingly, the investors are not afforded the protections of the Investment Company Act.

Effect of Carried Interest. The existence of ZMC and its affiliates' carried interest creates an incentive for ZMC and its affiliates to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance based arrangement. In addition, if distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Fund Agreements. An independent appraisal generally will not be required and is not expected to be obtained.

Conflicts of Interests. ZMC and its affiliates receive certain fees from Portfolio Companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., directors', break-up and monitoring fees) as described above in "Fees and Compensation". Except as set forth in the Confidential Private Placement Memoranda, investors will receive no benefit from such fees paid to ZMC and its affiliates. Further, conflicts of interest are an inherent result of the Principals having investments in both the Non-ZMC Fund Investments and the ZMC Funds' Portfolio Investments, as well as other investments both public and private. ZMC and its affiliates will endeavor to make sure that conflicts of interest do not work to the detriment of the Funds. To the extent that conflicts of interest arise, they will be presented to the LP Advisory Committee, as applicable, of the relevant ZMC Fund for review.

Lack of Unilateral Control. Even if a ZMC Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the ZMC Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the ZMC Funds or their limited partners. Such third parties may be in a position to take action contrary to the ZMC Fund's business, tax or other interests, and the ZMC Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a ZMC

Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a ZMC Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Material, Non-Public Information. As a result of their responsibilities in connection with Portfolio Companies or their other activities, ZMC and its affiliates, the Funds or their employees often acquire confidential or material, non-public information or are otherwise restricted from initiating transactions in certain securities. The Funds will not be able to act upon any such information. Due to these restrictions, the Funds would not be able to initiate a transaction that they otherwise might have initiated and would not be able to sell an investment that they otherwise might have sold.

Diverse Limited Partner Group. The investors in the Funds may have conflicting investment, tax and other interests with respect to their investments in such Funds. The conflicting interests of individual investors relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of acquisitions of investments and the timing of dispositions of investments. As a consequence, conflicts of interest will arise in connection with decisions made by ZMC and its affiliates, including with respect to the nature or structuring of investments that would be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, ZMC and its affiliates consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Cyber Security Breaches and Identity Theft. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of ZMC, the Funds and their respective investments may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although ZMC has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Funds and/or their investments may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in ZMC's, the Funds' and/or their respective investments' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm ZMC's reputation, subject ZMC or the Funds to legal claims and otherwise affect their business and financial performance.

Side Letters. In connection with a particular investor's investment in a Fund, the general partner, manager or similar governing entity often enter into a side letter or other similar agreement (each, a "Side Letter") with such investor with respect to the Fund which has the effect of establishing rights under, or altering or supplementing the terms of, the applicable Fund Agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights or terms in any such Side Letter or other similar agreement often include, without limitation, (i) excuse rights applicable to particular investments; (ii) the general partner's, manager's or similar governing entity's agreement to extend certain information rights or

additional reporting to such investor; (iii) modification of confidentiality obligations of such investor; (iv) the general partner's, manager's or similar governing entity's agreement to consent to certain transfers by such investor or other exercises by the general partner, manager or similar governing entity of its discretionary authority under the applicable Fund Agreement for the benefit of such investor; (v) restrictions on, or special rights of such investor with respect to, the activities of the general partner, manager or similar governing entity; (vi) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor; (vii) additional obligations and restrictions of the Fund with respect to the structuring of Portfolio Investments (including with respect to alternative investment vehicles); or (viii) adjustments with respect to certain economic provisions. Any rights or terms so established in a Side Letter with an investor generally govern solely with respect to such investor and do not require the approval of any other investors in such Fund.

Other Activities and Relationships. The Principals will serve as members of the boards of directors of various companies and may participate in other activities outside of ZMC. For example, Mr. Zelnick currently serves on the boards of directors of Take-Two, as well as several private companies. Conflicts may arise as a result of such activities and the potential fiduciary duties with respect to such role, including as it relates to referral of certain corporate opportunities. The possibility exists that the companies with which one or more of the Principals is involved could engage in transactions that would be suitable for the Funds, but in which the Funds might be unable to invest.

Item 9: Disciplinary Information

ZMC and its employees have not been involved in any material legal or disciplinary events that would be required to be discussed in this brochure.

Item 10: Other Financial Industry Activities and Affiliations

Neither ZMC nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither ZMC nor any of its management persons are registered, or have 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.

ZMC does not recommend or select other investment advisers for the Funds.

Employees of ZMC often serve as directors and officers of certain Portfolio Companies and, in that capacity, are required to make decisions that consider the best interests of such Portfolio Companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Company, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the respective Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of ZMC and such individual's duties as a director or officer of such Portfolio Company. ZMC intends to deal with such potential conflicts in a fair and appropriate manner based on the particular facts and circumstances giving rise to the potential conflict of interest.

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

ZMC has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act that is predicated on the principal that ZMC owes a fiduciary duty to the Funds. Accordingly, employees of ZMC and its affiliates must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of the Funds. A copy of the Code will be provided to any investor or prospective investor upon request.

Employees of ZMC and its affiliates may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, employees of ZMC and its affiliates would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of ZMC.

Accordingly, should employees of ZMC and any of its affiliates come into possession of material non-public or other confidential information with respect to public and non-public company, ZMC generally would be prohibited from communicating such information to clients, and ZMC will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of ZMC’s or its affiliate’s personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

ZMC’s employees that are access persons must have written clearance for all transactions involving initial public offerings and private placements before completing the transactions. ZMC may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. ZMC also endeavors to maintain current and accurate records of all personal securities accounts of its access persons in an effort to monitor all such activity.

ZMC, certain of its employees, strategic partners or their affiliated entities will have an investment in each ZMC Fund. For example, the general partner for each ZMC Fund is 100% owned by ZMC’s Principals and certain other investment professionals working for ZMC. In addition, each ZMC Fund general partner, together with the Principals, certain of ZMC’s other members, officers, directors and employees of such general partner, ZMC and their respective affiliates, certain other executives of ZMC and/or operating advisors to the Funds, commits to participating in the related ZMC Fund’s investment program through a Co-Invest Fund by contributing a certain percentage of such ZMC Fund’s total capital commitments, which is determined by the applicable general partner on an annual basis and cannot exceed 10%. Such capital commitments allow ZMC, its employees, strategic partners or their affiliated entities to invest in one or more particular portfolio investments made by the ZMC Funds. Therefore, ZMC is considered to participate in transactions effected for the ZMC Funds. ZMC does not believe this arrangement presents any material conflicts of interest because our interests and our employees’ interests are aligned with the interest of investors in the ZMC Funds. In addition, any such investments are divested on the same terms and at the same time as the ZMC Funds’ divestments, subject to applicable legal, tax, regulatory and other similar considerations.

Item 12: Brokerage Practices

ZMC focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent ZMC transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the Funds. ZMC is generally authorized to make the following determinations, subject to each ZMC Fund's investment objectives and restrictions, without obtaining prior consent from the relevant ZMC Fund or any of their investors: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iii) the commission rates or commission equivalents charged for transactions. ZMC transacts in securities on behalf of the Co-Invest Funds only in accordance with their respective Fund Agreements.

In making its decisions regarding the allocation of brokerage transactions for the Funds, ZMC will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices; (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker- dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although ZMC will generally seek competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent.

Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

ZMC does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to ZMC's own research effort. Outside of routinely available research, ZMC's policy is to bear the cost of research it receives and does not direct trading activity in lieu of payments for research or other services.

Item 13: Review of Accounts

ZMC focuses on making private equity investments in middle-market companies. All investments are carefully reviewed and approved by the Principals, who are supported by ZMC's investment personnel. The Portfolio Companies are reviewed on a continuous basis and ZMC's investment professionals meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

ZMC provides investors in the ZMC Funds with quarterly reports and capital account statements, capital call/distribution notices, and periodic press releases. Investors also receive annual audited financial statements.

Item 14: Client Referrals and Other Compensation

No one other than the investors in the Funds provide an economic benefit to ZMC for providing

investment advice or other advisory services to the Funds.

During a fundraising cycle, ZMC may compensate placement agents who introduce investors that commit capital to a ZMC Fund. The amount paid to placement agents is based on point-in-time negotiation and all placement fees will be fully disclosed to investors referred by placement agents.

ZMC or its affiliates charge Portfolio Companies origination fees, breakup fees, consulting fees, monitoring fees and other similar fees as described above under “Fees and Compensation”. Also, ZMC’s investment professionals who serve on the board of directors of Portfolio Companies can receive cash compensation, options and/or restricted stock in their capacity as directors. In accordance with each Fund Agreement, a portion of these fees received by ZMC or any of its affiliates may be applied to reduce the Management Fee otherwise payable.

In addition, ZMC and its affiliates receive fees from companies that are not Portfolio Companies of the Funds or their affiliates and from those companies involved in the Funds’ unconsummated transactions, and such fees do not reduce Management Fees. We do not believe that receiving such fees present conflicts of interest because we believe it is ultimately in the best interests of ZMC and the Funds to consummate any such transactions where feasible.

Item 15: Custody

ZMC has custody of client funds because an affiliate serves as the general partner, manager or similar governing entity of the Funds.

When ZMC identifies an investment that is suitable for the ZMC Funds, the general partner issues a capital call to the investors for the capital necessary to make the investment. This capital will be held with a qualified custodian until the investment is made.

Though the investments recommended by ZMC will generally be investments in private companies, ZMC’s clients from time to time receive publicly traded equity securities in connection with their investments. ZMC maintains evidence of all investments as required by Rule 204-2 under the Advisers. ZMC maintains all publicly traded equity securities with a qualified custodian.

Investors in ZMC Funds do not receive statements from custodians. Instead, the ZMC Funds are subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements are prepared in accordance with generally accepted accounting principles and, in accordance with Rule 206(4)-2 of the Advisers Act, are distributed within 120 days of each ZMC Fund’s fiscal year end.

With respect to the Co-Invest Funds, ZMC has engaged a qualified custodian to hold any portfolio company securities of such Co-Invest Funds. Each quarter, the qualified custodian mails account statements to each of the Co-Invest Funds and their respective investors. In addition, a nationally recognized public accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board has been engaged to perform surprise examinations of each such Co-Invest Fund’s assets.

Item 16: Investment Discretion

ZMC generally has discretionary authority to determine, without obtaining specific consent from the Funds or their limited partners, the securities and amount to be bought or sold. Any limitations on authority are included in the Confidential Private Placement Memoranda, Fund Agreements and other governing documents.

In addition, the ZMC Funds often enter into Side Letters with one or more investors without the approval of any other investor that have the effect of establishing rights under, or altering or supplementing the terms of the Fund Agreements or any subscription agreement of the ZMC Funds. As a result of such Side Letters, certain investors receive additional benefits that other investors do not receive. The other investors have no recourse against ZMC or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

Item 17: Voting Client Securities

The Funds currently only hold private investments. Therefore, ZMC does not receive and/or vote proxies. From time to time, an affiliate of ZMC may receive and vote proxies with respect to Take-Two shares on behalf of, and under the direction of, ZMC's partners and employees who beneficially own such shares. In the event the ZMC Funds hold public equity securities in the future, ZMC will implement appropriate proxy voting policies and procedures. Investors may obtain a copy of ZMC's proxy voting policies and procedures at that time, upon request.

Item 18: Financial Information

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