

## Capital Z Asset Management, LLC

16197 Cabernet Drive  
Delray Beach Fl 33446  
(646)-469-8046  
March 15, 2024

### PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Capital Z Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (646)-469-8046. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Capital Z Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Since our last filed Form ADV Part 2A on March 31, 2023, there have been no material changes.

## Table of Contents

Material Changes .....	2
Table of Contents .....	2
Advisory Business .....	2
Fees and Compensation.....	3
Performance Based Fees .....	3
Types of Clients .....	3
Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Disciplinary Information.....	4
Other Financial Industry Activities and Affiliations .....	4
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	5
Brokerage Practices.....	5
Review of Accounts .....	5
Client Referrals and Other Compensation.....	5
Custody .....	5
Investment Discretion .....	6
Voting Client Securities .....	6
Financial Information.....	6

## Advisory Business

CZAM was formed in 2008 to serve as the investment manager to certain affiliated pooled investment vehicles (each a “Fund” or “Client” and collectively, the “Funds” or the “Clients”) that hold equity interests in general partner entities and management companies of private investment funds. As of March 31, 2023 CZAM’s only client is Capital Z N2 Alternative Asset Investors, LLC (“N2”). This constitutes CZAM’s only business. CZAM is a limited liability company organized under the laws of Delaware and is principally owned by (i) former employees of CZAM, (ii) current and former members of its Board of Managers and (iii) certain private investment funds managed by Paine Schwartz Partners, LLC (“PSP”), which have indirect ownership through intermediary entities. After its acquisition by the aforesaid private investment funds, CZAM underwent a reorganization as a result of which CZAM entered into a written services agreement (the “Services Agreement”) with CZ Hedge Management, LLC (the “Sub-Adviser”). Under the Services Agreement, CZAM appointed the Sub-Adviser to act as administrator and investment sub-manager to the Funds, whereby the Sub-Adviser is responsible for the day-to-day management of the Funds and for all investment activities of the Funds. CZAM’s limited activities are overseen by a board of managers (the “Board of Managers”).

As of December 31, 2023, regulatory assets under management totaled approximately \$222,687,706 all of which is managed on a discretionary basis by the Sub-Adviser.

## **Fees and Compensation**

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

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

## **Performance Based Fees and Side-by-Side Management**

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

## **Types of Clients**

CZAM’s only client is N2. Most of the investors in N2 are either (a) private investment funds managed by PSP, (b) former employees of CZAM and (c) current and former member of its Board of Managers. CZAM has entered into a Services Agreement with the Sub-Adviser for the Sub-Adviser to act as administrator and investment sub-manager to the Funds, whereby the Sub-Adviser is responsible for the day-to-day management of the Funds and for all investment activities of the Funds.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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

Investing in the Funds involves a number of risks. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that limited partners will receive a return on their capital. The description below is a brief overview of different material risks related to a Fund’s investment strategy:

**General Business and Management Risk.** Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency

fluctuations, general economic downturns, domestic and foreign political situations, and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Funds will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company.

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

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

**Cybersecurity Risk** The computer systems, networks and devices used by CZAM and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of us or our service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

**Investment and Due Diligence Process.** Before making investments, CZAM and/or the Sub-Advisor will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, CZAM may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, CZAM will rely on the resources reasonably available to it, which in some circumstances, whether or not known to CZAM at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

**Service Providers.** Service providers or affiliates of service providers (including lenders, brokers, attorneys, and investment banking firms) of CZAM and/or the Sub-Advisor and the Funds may be in a position to provide certain services to employees of CZAM and/or the Sub-Advisor with respect

to non-CZAM matters. The receipt of services with respect to non-CZAM matters may influence or have the appearance of influencing CZAM's decision whether to select such service provider for CZAM and/or the Sub-Advisor or the Funds. To eliminate this potential conflict, CZAM and/or the Sub-Advisor prohibits its employees from receiving discounts for any services with respect to non-CZAM matters performed by its service providers or their affiliates.

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

## **Disciplinary Information**

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

## **Other Financial Industry Activities and Affiliations**

CZAM has entered into a Services Agreement with the Sub-Advisor to the Funds. Under the Services Agreement, CZAM appointed the Sub-Advisor to act as administrator and investment sub-manager to the Funds, whereby the Sub-Advisor is responsible for the day-to-day management of the Funds and for all investment activity of the Funds.

As noted, CZAM is affiliated with PSP, an investment manager to several affiliated private investment funds. Certain of the private funds managed by PSP have indirect ownership interests in CZAM and invest, through intermediaries, in the Funds managed by the Sub-Advisor.

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

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

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

CZAM's limited activities are overseen by its Board of Managers. CZAM has adopted a Code of Ethics (the "Code") intended to ensure that the CZAM fulfills its role as a fiduciary to the Funds. The Code requires that CZAM supervised persons and certain affiliated persons act in accordance with the fiduciary duties owed by CZAM to the Funds. Personnel are also required to comply with applicable provisions of the federal securities laws and make prompt reports of any actual or suspected violations of such laws by CZAM or its personnel. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of CZAM's supervised persons. The Code requires that personnel pre-clear certain public and all private personal securities transactions, report all personal securities transactions to the Chief Compliance Officer on at least a quarterly basis and provide the Firm with a summary of personal securities holdings at least annually. The Code also addresses confidentiality and insider trading, and expressly prohibits personnel from disseminating material nonpublic information or using such information to inappropriately benefit any party through securities trading activities. Personnel are required to provide a written certification as to their compliance with the Code on an annual basis.

Copies of CZAM's Code are available to investors upon request at (646) 469-8046

## **Brokerage Practices**

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

## **Review of Accounts**

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

## **Client Referrals and Other Compensation**

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

## **Custody**

CZAM does not have access to any Client assets as day-to-day management of Client assets has been delegated to the Sub-Adviser. However, CZAM may be deemed to have custody of the Funds' accounts. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor in the Funds within 120 days of each Fund's fiscal year end.

## **Investment Discretion**

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

## **Voting Client Securities**

The Funds invest in private companies which typically do not issue proxies. In the event proxies are required to be voted, a board member will vote in the best interest of the Funds. CZAM will maintain documentation of how each proxy was voted.

Fund investors may contact CZAM at (646) 469-8046 to obtain a copy of the Firm's proxy voting policy or to obtain any other information with respect to proxy votes, policies, and procedures.

## **Financial Information**

CZAM does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients, and it has not been subject to any bankruptcy proceeding during the past 10 years. Additionally, CZAM does not solicit prepayment of fees six months or more in advance.