

FIRM BROCHURE

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KAIZEN MANAGEMENT, LP

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A Texas State Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Kaizen Management, LP. If you have questions about the contents of this brochure, please contact us at 713-529-3660 or by email at info@kaizencapital.com. The information in this brochure has not been approved or verified by the Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Kaizen Management, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

In this Brochure, you will find information discussing the following changes since our firm last updated our brochure on March 31, 2011. The summary below only includes material changes that have taken place since the firm's last annual brochure update on March 31, 2011.

Cover Page

Due to recent changes in federal rules, Kaizen has changed its registration status from federal to state..

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ADVISORY BUSINESS

Firm Description and Ownership

Kaizen Management, LP ("Kaizen") is an investment advisory firm, registered as such with the State of Texas, providing investment advice and money management services to investment limited partnerships. Kaizen Capital, LLC is a holding company, and is the sole owner of Kaizen Management, LP. Kaizen Capital, LLC is wholly owned by David W. Berry. David Berry serves as the firm's President.

Advisory Services and Client Accounts

Kaizen provides investment advisory services designed to provide clients the ability to achieve their investment objectives. Kaizen manages two separate investment vehicles:

Select Contrarian Value Partnership; and
Kaizen Fundamental Value Fund

Each fund is only available to qualified and accredited investors, and may only be sold via the applicable fund's offering documents. Subscriptions and redemptions in each fund are restricted. A copy of a fund's offering documents will be provided upon request to qualified purchasers.

Wrap Fee Programs

Kaizen does not sponsor or participate in wrap fee programs.

Assets Under Management

As of February 3, 2012, Kaizen managed approximately \$45,792,278 in assets, held by 3 accounts. All of Kaizen's accounts are discretionary accounts. Kaizen does not accept non-discretionary client accounts.

FEEES AND COMPENSATION

For our services, we are paid a fee as set forth in each fund's offering document.

Fees are generally paid quarterly in advance. Some clients may prepay one quarter in advance. Kaizen bills clients for its services, and does not directly deduct fees from its clients accounts. In addition to advisory fees, clients will incur brokerage and other transactions costs associated with the management of their accounts. See "Brokerage Practices" on page 5 of this brochure.

PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Kaizen does charge performance based fees on its funds. The nature of the fees and the manner in which they are charged are set forth in each fund's offering documents. Kaizen does not engage in the practice of side-by-side management.

TYPES OF CLIENTS

Kaizen offers discretionary investment management services to two separate investment vehicles:

Select Contrarian Value Partnership; and
Kaizen Fundamental Value Fund

Each fund is only available to qualified and accredited investors, and may only be sold via the applicable fund's offering document. Subscriptions and redemptions in each fund are restricted. A copy of a fund's offering documents will be provided upon request to qualified purchasers.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

The methods of analysis, investment strategies and risks associated with each fund are described in the applicable fund's offering documents.

DISCIPLINARY INFORMATION

Kaizen is not now subject to any legal or disciplinary event or action that would be material to a client or prospective client's evaluation of the firm's business or the Kaizen of the firm's management. In 2005, Kaizen was assessed a fine of \$10,000 by the Texas State Securities Board upon a finding that the firm had engaged in offering investment advisory services while its application was pending review and prior to its formal approval by the State Securities Board.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Kaizen has no other activities or affiliations.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Kaizen has adopted a Code of Ethics which governs the personal trading activities of its Supervised Persons. The Firm's Chief Compliance Officer is responsible for implementing and overseeing compliance with the Code. Kaizen will provide a copy of its Code of Ethics to any client, free of charge, upon request.

Kaizen's Code of Ethics governs the personal trading practices of its Access Persons, and provided policies, restrictions and prohibitions designed to address and avoid conflicts of interest that may arise between a employee and a client. Certain personal securities purchases and sales must be pre-approved by the Chief Compliance Officer, and all transactions must be reported on a quarterly basis.

BROKERAGE PRACTICES

All of the accounts advised by Kaizen are discretionary accounts. Generally, no specific client consent is required with respect to the securities purchased or sold, selection of brokers, or commission rates to be paid.

Kaizen has a fiduciary obligation to obtain best execution on behalf of each client, and brokers are selected with a view to obtaining best execution of transactions. Kaizen believes that best execution is typically achieved not by negotiating the lowest commission but by seeking to obtain the best overall result (including price, commission rate and other relevant factors) for the client. To this end, Kaizen conducts regular reviews of all of our executing brokers.

In accordance with the terms of the investment advisory agreements with clients, Kaizen places and executes orders for the purchase and sale of portfolio securities. In general, investment decisions for each client are made independently from those of other client accounts and are made with specific reference to the individual needs and objectives of each account (or group of accounts).

Kaizen does not currently participate in any commission dollar or soft dollar arrangements.

REVIEW OF ACCOUNTS

Kaizen reviews all cash and security positions on a daily basis. Security and sector weightings are typically reviewed on a weekly basis. Triggering factors for review include contributions, withdrawals and changes in client objectives or economic conditions.

CLIENT REFERRALS AND OTHER COMPENSATION

Kaizen does participate in client referral compensation agreements with third parties. Such arrangements must be in writing and must be fully disclosed to potential clients. Payments made to third parties for client referrals do not result in the client paying an additional fee.

CUSTODY

Kaizen is deemed to be a custodian of its client accounts, due to its status as the general managing partner of each fund. Each fund undergoes an annual audit by an independent registered public accounting firm, and the audit report is delivered to all fund subscribers, in accordance with applicable rules and law.

INVESTMENT DISCRETION

Kaizen only accepts client accounts wherein it has full discretionary authority to manage the account.

VOTING CLIENT SECURITIES

Kaizen generally votes the proxies of securities held in the Firm's client accounts. Kaizen has adopted a Policy that provides guidance in the voting of proxies for securities held on behalf of the Firm's clients in compliance with Rule 206(4)-6 under the Investment Advisers Act. Kaizen will provide a copy of these policies to any client, free of charge, upon request. Additionally, Kaizen will also provide, free of charge, a copy of the actual proxy votes cast for a client, upon request.

On occasion, a conflict of interest may arise between the Firm and a particular client account. In such instances, the proxy will be voted in favor of the client's interest. Kaizen has adopted a Policy that provides guidance in the voting of proxies for securities held on behalf of the Firm's clients. Kaizen will provide a copy of these policies to any client, free of charge, upon request. Additionally, Kaizen will also provide, free of charge, a copy of the actual proxy votes cast for a client, upon request.

FINANCIAL INFORMATION

Kaizen does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. The firm has no financial condition that is reasonably likely to impair its ability to meet any contractual requirements relating to any aspect of its business. The firm has never been the subject of a bankruptcy petition.