

INVESTMENT ADVISER BROCHURE
Pfingsten Partners, L.L.C.
300 N LaSalle, Suite 5400
Chicago, IL 60645
www.pfingstenpartners.com

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Pfingsten Partners, L.L.C. (“Pfingsten Partners”). If you have any questions about the contents of this Brochure, please contact us at (312) 222 8707 and/or info@pfingsten.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Pfingsten Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Pfingsten Partners is also available on the SEC’s website at www.adviserinfo.sec.gov

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ADVISORY BUSINESS

Pfingsten Partners, a Delaware limited liability company and a registered investment adviser formed in 1989, provides investment advisory services to its clients, which consist of private investment funds, including the funds described herein (collectively, the “Funds,” each individually, a “Fund,” and together with any future private investment fund, “Pfingsten Funds”).

Pfingsten Partners, through its Funds, invests in middle market manufacturing, distribution and business services companies with a strategy to build better businesses through operational improvements, professional management practices, global capabilities and profitable business growth rather than financial engineering.

Pfingsten Partners’ investments consist of portfolio companies, where Pfingsten Partners’ Senior Managing Directors and Managing Directors (the “Pfingsten Partners Directors”) may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the relevant Pfingsten Fund.

Pfingsten Partners provides investment advisory services to funds that invest directly in portfolio companies. As of November 15, 2011 Pfingsten Partners managed approximately \$763.2 million in client assets.

Pfingsten Partners’ advisory services for Pfingsten Funds are detailed in the applicable private placement memoranda and limited partnership agreements (collectively, the “Governing Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.”

Pfingsten Partners Fund Program

Pfingsten Partners is the investment manager of the following Funds, each of which invests directly in portfolio companies and has as its general partner a Pfingsten Partners affiliate of which Pfingsten Partners is the managing member:

- Pfingsten Executive QP Fund III, L.P.
- Pfingsten Executive Fund III, L.P.
- Pfingsten Partners Fund IV, L.P.
- Pfingsten Partners Co-Investment Fund IV, L.P.

FEES AND COMPENSATION

Pfingsten Partners charges management fees to Fund investors and also receives performance-based compensation. Such compensation complies with Rule 205-3 under the Advisers Act, and, where applicable, relevant provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Pfingsten Partners or its affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of Pfingsten Funds, and such additional compensation will be credited in whole or in part to the applicable Pfingsten Fund in the form of portfolio company monitoring fees. Fund Investors also bear certain fund expenses.

The Pfingsten Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Pfingsten Fund, as applicable, and investors generally are not permitted to withdraw or redeem interests in a Pfingsten Fund.

The fees that Pfingsten Partners charges for Fund investments are described below:

Each Pfingsten Fund’s general partner charges its respective Funds a gross annual management fee equal to 2.0% of the aggregate commitments to such Pfingsten Fund. The gross annual management fee is reduced by 75% of the portfolio company monitoring fee received during the previous six months, and is paid quarterly in advance by the Funds to their respective general partner. The management fee charged to the Funds will be reduced to 2% of the Investment Contributions (i.e. cost basis of existing portfolio companies) after the investment period ends.

Each Pfingsten Fund also pays a carried interest of 20%. Carried interest may be distributable to Pfingsten Partners on a deal-by-deal basis, assuming the cost basis, allocable cost contributions and preferred return hurdles are met, but the general partner in its discretion may defer carried interest distributions. For more information regarding fees and compensation, please see the Pfingsten Fund’s Governing Documents.

Other Fees

In addition to the management fee and carried interest payable to Pfingsten Partners, the Pfingsten Funds bear certain expenses. Subject to the applicable Limited Partnership Agreement, each Pfingsten Fund generally bears all expenses, including legal, accounting, investment banking, consulting, transfer, registration, interest, taxes, extraordinary expense and other similar fees and expenses, but not Pfingsten Partners expenses in connection with maintaining and operating its offices (such as compensation of its employees, rent, utilities and general office expenses).

TYPES OF CLIENTS

Pfingsten Partners provides investment advice to the Pfingsten Funds. Pfingsten Funds are investment partnerships formed under domestic laws and operated as investment pools exempt from registration under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). The investors participating in Pfingsten Funds may include pension and profit sharing plans, family offices, governmental entities, charitable organizations, high net-worth individuals and other corporations or business entities and may include, directly or indirectly, principals or other employees of Pfingsten Partners.

Generally, the minimum Fund investment that Pfingsten Partners accepts is \$1.0 million. In its discretion, Pfingsten Partners may from time to time accept a Fund investment in a lesser amount, and Pfingsten Partners may increase the minimum investment amount. Prior to investing in a Fund, an investor is required to complete a subscription agreement and investor qualification statement containing representations needed to establish the investor’s eligibility to invest in the Fund. For more information regarding investor qualifications, please see the Pfingsten Fund’s Governing Documents.

INVESTMENT STRATEGIES, INVESTMENT CRITERIA, METHODS OF ANALYSIS, AND RISK OF INVESTMENT

Investment Strategies

While Pfingsten Partners believes most private equity firms create value through financial engineering, it seeks to create value by building better businesses. The Firm typically invests a minimum of 50% equity into the capital structure of each platform company and seeks to create value through operational improvements, professional management practices, global capabilities and profitable business growth.

Pfingsten Partners believes many middle market companies that meet its investment criteria have significant growth and profit potential, but lack adequate capital, operational and financial management resources, infrastructure, a global vision and capabilities, professional management practices, and strategic, tactical and financial planning processes. These limiting factors often result in less than optimal growth and profitability. Pfingsten Partners supports its portfolio company management teams with the following:

- Operating professionals
- Global capabilities
- A team-based continuous improvement operating process and training programs
- Conservative capital structures

Investment Criteria

- Pfingsten Partners, through the Pfingsten Funds, will seek investments in companies that generally meet the following investment criteria:

Industry Segments	<ul style="list-style-type: none">• Manufacturing, distribution and business service companies
Transaction Values	<ul style="list-style-type: none">• Between \$15 and \$100 million
Geographic Preference	<ul style="list-style-type: none">• All platform companies must be headquartered in the United States• No geographic preference for add-on acquisitions
Investment Stage	<ul style="list-style-type: none">• Established and profitable
Transaction Types	<ul style="list-style-type: none">• Private companies undergoing an ownership transition, recapitalization or requiring growth capital• Corporate divestitures• Select financial restructurings or turnarounds• Strategic add-on acquisitions for platform companies
Control	<ul style="list-style-type: none">• Required (alone or with a compatible co-investor)

- Pfingsten Partners does not intend to make direct investments in real estate; natural resource companies; highly regulated businesses such as banks, insurance companies and utilities; retail businesses; restaurant chains; early stage companies; and technology, telecommunications or internet companies.

Methods of Analysis

Pfingsten Partners' investment decision making process for the Pfingsten Funds typically proceeds as follows:

Pfingsten Partners investment professionals make an initial evaluation of each investment opportunity and conduct initial due diligence.

- A transaction team, generally comprised of one Senior Managing Director, a Corporate Finance Vice President, a Transaction Analyst, and an Operations Vice President, is assigned to analyze each investment opportunity that is determined to merit serious consideration.
- The transaction team conducts due diligence, which includes but is not limited to an extensive review of the business, customer and management reference calls, calls with industry and technical experts, an intellectual property review, competitive and market review, financial review, legal review and tax review.
- Decision-making is conducted in a consensus manner by the entire Pfingsten Partners transaction team. Once a decision has been reached to invest in a company, the transaction team works to negotiate the transaction.

- Assuming that an agreement can be reached, the transaction team develops an informational presentation that is reviewed and approved by the Pfingsten Partners Investment Committee.

The sources of information that Pfingsten Partners uses in its investment decision making process include due diligence and research conducted by Pfingsten Partners' investment professionals and due diligence and information provided by other professional service firms.

Risks of Investment

Inherent in Pfingsten Partners' investment advisory business are a number of risk factors, including risks associated with Pfingsten Partners' strategy of investing in private companies. These risks result in a risk of investment loss for Pfingsten Funds and their investors. The risks to may include, but are not limited to:

Business Risks

The Pfingsten Funds' investment portfolio will consist primarily of securities issued by privately held companies, including highly leveraged companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance

The performance of the Pfingsten Funds' prior investments is not necessarily indicative of the Fund's future results. While the general partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Lack of Sufficient Investment Opportunities

It is possible that the Pfingsten Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty.

Illiquidity; Lack of Current Distributions

An investment in the Pfingsten Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

Limited Transferability of Fund Interests

There will be no public market for Pfingsten Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Pfingsten Funds' interests under the Governing Documents and applicable securities laws. In general, withdrawals of Pfingsten Funds' interests are not permitted. In addition, Pfingsten Funds' interests are not redeemable.

Reliance on the General Partner and Portfolio Company Management

The Pfingsten Fund has no operating history and will be entirely dependent on Pfingsten Partners. Control over the operation of the Pfingsten Funds will be vested entirely with Pfingsten Partners, and the Pfingsten Funds' future profitability will depend largely upon the business and investment acumen of the Pfingsten Partners Directors. The loss of service of one or more of the Pfingsten Partners Directors could have an adverse effect on the Pfingsten Funds' ability to realize its investment objectives. Pfingsten Funds' investors generally have no right or power to take part in the management of the Pfingsten Funds, and as a result, the investment performance of the Pfingsten Funds will depend entirely on the actions of Pfingsten Partners. Although Pfingsten Partners will monitor the performance of each Pfingsten Funds' investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Pfingsten Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will continue to operate a company successfully.

General Partner's Carried Interest

The fact that the general partner's carried interest is based on a percentage of net profits, may create an incentive for the general partner to cause the Pfingsten Funds to make riskier or more-speculative investments than would otherwise be the case.

Public Company Holdings

The Pfingsten Funds' investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Pfingsten Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Pfingsten Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including Pfingsten Partners, and increased costs associated with each of the aforementioned risks.

Conflict of Interest

Pfingsten Partners manages Pfingsten Funds, and will continue to form such relationships. As Pfingsten Partners invests and manages assets for the Pfingsten Funds it is possible for conflicts of interest to arise between these funds. In addition, it is possible for conflicts of interest to arise among the Pfingsten Funds.

Additional risks relevant to investments in the Funds are described in the applicable private offering memoranda.

DISCIPLINARY INFORMATION

Pfingsten Partners and its management persons have no legal or disciplinary events that are material to an investor's evaluation or its advisory business or integrity of its management

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Pfingsten Partners has no relationships or arrangements that are material to its advisory business or to its clients with related persons except as described below.

Other Pooled Investment Vehicle

Pfingsten Partners acts as an investment manager to the Pfingsten Funds. Such Pfingsten Funds may be organized as limited partnerships whose general partners are affiliates of Pfingsten Partners. Such affiliated general partners generally will receive the carried interest from the Funds. The terms of such arrangements are set forth in each Pfingsten Funds' Governing Documents.

The Pfingsten Funds maintain direct investments in portfolio companies, with approximately \$763.2 million in committed assets under management as of November 15, 2011. Each of the Pfingsten Funds and its affiliates are organized as Delaware limited partnerships.

Sponsor or Syndicator of Limited Partnerships

See "Other Pooled Investment Vehicles", above.

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

Code of Ethics and Personal Trading

Pfingsten Partners has adopted a Code of Ethics that is intended to meet the requirements of Rule 204A-1 under the Advisers Act and to ensure that Pfingsten Partners professionals give precedence to the interests of Pfingsten Partners' clients and investors and treat all clients and Pfingsten Fund investors fairly. The Code of Ethics is designed to minimize the potential for conflicts of interest and includes policies and procedures that, among other things, require all Pfingsten Partners employees to report their personal securities holdings and transactions and to obtain pre-approval before engaging in certain types of securities transactions (including transactions in "restricted list" securities, securities in an initial public offering, and securities in a limited offering), prohibits certain investments and other transactions that could create a conflict of interest, and prohibits unlawful or otherwise inappropriate use of confidential information. Pfingsten Partners employees are required each year to acknowledge their receipt of the Code of Ethics and affirm their understanding of, and agreement to comply with, the Code of Ethics. In addition, Pfingsten Partners employees annually receive training regarding their obligations under the Code of Ethics. A copy of Pfingsten Partners Code of Ethics is available to clients and Fund investors upon request.

Pfingsten Partners may from time to time come into possession of material nonpublic or other confidential information about public companies that, if disclosed, might affect an investor's decision to buy, hold or sell a security. Under applicable law, Pfingsten Partners 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 Pfingsten Partners. Accordingly, if Pfingsten Partners or any of its affiliates comes into possession of material nonpublic or other confidential information with respect to any public company, Pfingsten Partners would be prohibited from communicating such information to clients. Pfingsten Partners shall have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law.

Material Financial Interest in Transactions

Principals and employees of Pfingsten Partners and its affiliates may directly or indirectly own an interest in the Pfingsten Funds, including through certain co-investment vehicles. Such vehicles may invest in one or more of the same portfolio companies as the Pfingsten Funds, subject to any restrictions set forth in the Governing Documents.

Allocation and Timing of Investments

Pfingsten Partners will determine the allocation of an investment opportunity in a manner that it believes is fair and equitable to its clients consistent with Pfingsten Partners' obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (set forth in the Governing Documents and each Funds' Private Placement Memorandum), available

investment opportunities and dollars available for investing by the client, and strategy considerations, such as geographical, time and diversification.

BROKERAGE PRACTICES

Given the nature of its advisory services, Pfingsten Partners does not contemplate using the services of a broker-dealer.

REVIEW OF ACCOUNTS

Pfingsten Partners conducts ongoing review of its clients' accounts and Pfingsten Fund investments. By playing an active role in each stage of the investment (pre-investment due diligence, post-investment or ongoing monitoring, and post-divestiture escrow-related monitoring), Pfingsten Partners gathers information that helps it to better manage existing investments, ensure accurate and timely Fund reporting, and make new investments.

With respect to Pfingsten Fund review, responsibilities include analyzing the partnership's quarterly reports, conducting annual meetings, advisory board and informal meetings, and managing the underlying portfolio companies. Review and monitoring also includes gathering portfolio company information required in assessing valuations, checking allocations of income and loss; and reviewing the distribution procedures and allocations, and approving any necessary amendments or extensions of the private equity funds' partnership documents.

With respect to each portfolio company, once an investment decision is made, the Pfingsten Partners' transaction team is responsible for that investment with involvement from other Pfingsten Partners investment professionals, as appropriate. Review and monitoring includes monthly assessments of the company's and management's performance opposite budget and expectations, with detailed financial statement review conducted continually.

Each quarter, the portfolio information contained in Pfingsten Partners' database is updated, including partnership interest valuations, transactions (i.e., capital calls and distributions), and the underlying portfolio company information. For each underlying portfolio company investment, Pfingsten Partners tracks its location, business description, industry and sub-industry code and the partnership's cost and value. Pfingsten Partners also tracks cumulative liquidations and write-downs of the portfolio company holdings. Pfingsten Partners uses its database to calculate the performance of the portfolio.

At the end of a partnership's life (typically 10 years), Pfingsten Partners monitors for proper accounting and administration of allocations, distributions, and claw backs. Members of Pfingsten Partners' client service team periodically check to confirm that each Pfingsten Fund is maintained in accordance with its stated objectives.

With respect to Pfingsten Funds, one or more of Pfingsten Partners Managing Directors currently serve on the board of directors in each of its active portfolio company investments. Certain members of each portfolio company's transaction team participate in the audit and compensation meetings of Pfingsten Fund portfolio companies and are often involved with the recruitment of new management team members. Pfingsten Partners seeks to exit Pfingsten Fund investments through a successful sale of stock or assets. The probability and timing of these exits vary across the portfolio and are highly dependent

upon the specific progress made by a given company. While Pfingsten Partners investment professionals are always cognizant of opportunities to take advantage of favorable exit environments, their focus is primarily on building better businesses.

Pfingsten Partners provides annual audited and quarterly unaudited financial statements of the Funds to investors in the Funds. Each year, Fund investors are also provided with information relevant to their annual tax returns.

CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, Pfingsten Partners may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Pfingsten Fund. Any fees and expenses payable to any such placement agents will be borne by Pfingsten Partners directly or indirectly through an offset against the management fee.

Pfingsten Partners investment professionals provide various management and financial analysis services to companies in Pfingsten Fund portfolio companies, receiving compensation for these services from the companies to which they are provided in the amount of 1.75% of the Pfingsten Funds' equity contribution. As discussed under "Fees and Compensation," the management fee payable by a Pfingsten Fund will be reduced by any applicable fees received by a Pfingsten Fund general partner, Pfingsten Partners, or their respective affiliates from portfolio companies, as well as by any break-up or other fees from broken deals. Any such fees and/or proceeds received usually will reduce the fee payable by the Pfingsten Fund in the quarter immediately following receipt. Any reimbursement by a portfolio company of out-of-pocket expenses incurred by a Pfingsten Fund general partner, Pfingsten Partners, or their respective affiliates will not be offset against the fee payable by the Pfingsten Fund.

CUSTODY

Pfingsten Partners is deemed to have custody of the assets and securities of the Pfingsten Fund clients that are organized as limited partnerships, indirectly through its affiliates, who are the general partners of the Funds, and is therefore subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, Pfingsten Partners complies with the "pooled vehicle annual audit exception" of the Custody Rule by delivering to the investors in the Pfingsten Funds audited financial statements of the Pfingsten Funds, prepared in accordance with generally accepted accounting principles, within 120 days of each Pfingsten Funds' fiscal year-end pursuant to the terms of each Pfingsten Funds' Governing Documents.

Pfingsten Fund investors should review carefully any audited financial statement of the Fund.

INVESTMENT DISCRETION

Pfingsten Partners has discretionary authority to manage investments on behalf of the Funds. As a general policy, Pfingsten Partners does not allow clients to place limitations on this authority.

VOTING CLIENT SECURITIES

Policy Regarding Proxy Voting

Pfingsten Partners recognize that voting rights have economic value and that the exercise of such voting rights is an important part of their fiduciary duties. Pfingsten Partners' Directors will evaluate shareholder issues that may have an impact on the economic value of an investment and will vote on those issues with a view toward maximizing the ultimate economic value of such investment during the time period in which Pfingsten Partners expects to hold the investment. All proxies will be voted prudently, considering the prevailing circumstances, and consistent with both the fiduciary standards of the Advisers Act and ERISA.

Proxy Voting Procedures

All amendments to partnership agreements and shareholder votes by privately held direct portfolio companies are recorded by Pfingsten Partners Directors as proxy votes.

The following procedures are performed when proxies are received by Pfingsten Partners Directors:

- The individual responsible for the investment ensures all materials are received and all proxies are voted.

FINANCIAL INFORMATION

Pfingsten Partners has no financial commitments that impair its ability to meet contractual or fiduciary obligations to its Pfingsten Funds, and has not been subject to any insolvency proceedings.