

Tailwind Management LP

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Tailwind Management LP (“Tailwind”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia-3060.pdf. If you have any questions about the contents of this brochure, please contact Tailwind at (212) 271-3800.

Tailwind is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (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.

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

Item 2 Material Changes

Since our last filing on April 15, 2016, there have been no material changes at Tailwind. This brochure contains routine annual updates to the prior brochure, as well as certain other updates to disclosures regarding fees and expenses, co-investors, risk factors and conflicts of interest.

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Item 4 Advisory Business

Tailwind is a private equity firm established in 2003 and formed under the laws of the State of Delaware as a limited partnership. Headquartered in New York, the firm is led by Lawrence B. Sorrel, James S. Hoch, Frank V. Sica, Jeffrey M. Calhoun, Geoffrey S. Raker, and Adam F. Stulberger, who are the principal owners of Tailwind and control the management and policies of Tailwind. These individuals have worked together for over a decade at Tailwind and have an average of 24 years of private equity experience. Mr. Sorrel is the Managing Partner of the firm.

Tailwind serves as an investment manager and provides investment advisory services to private investment partnerships. Currently, this includes Tailwind Capital Partners, L.P. and its parallel funds (the “Tailwind I Funds”) and Tailwind Capital Partners II, L.P. and its parallel funds (the “Tailwind II Funds”, and together with the Tailwind I Funds and the Co-Investment Funds referred to below, each a “Fund” and collectively the “Funds”). The Tailwind I Funds and Tailwind II Funds make primarily control investments in growth-oriented, North American companies in the smaller end of the middle market. Tailwind’s investment strategy focuses on three sectors: Healthcare, Business Services and Industrial Services. Within these sectors, the Tailwind I Funds and the Tailwind II Funds generally target companies that have an asset-light, human capital-based services model with the potential to be transformed through organic growth initiatives and add-on acquisitions. Tailwind seeks to transform entrepreneur-run businesses into professionally managed companies with sufficient scale to be desirable acquisition targets for both corporate and financial buyers. For further information about Tailwind’s investment strategy, including a description of how Tailwind seeks to transform the Funds’ portfolio companies, see “Methods of Analysis, Investment Strategies and Risk of Loss” below.

Tailwind has also established the TCP II Co-Invest A fund and the TCP II Co-Invest B fund (the “Co-Investment Funds”). The Co-Investment Funds may, to the extent available and at the discretion of Tailwind, be offered co-investment opportunities alongside the Tailwind II Funds. The existence of such multiple vehicles and accounts creates a number of potential conflicts of interest.

Tailwind Capital Partners (GP) LP serves as the general partner of the Tailwind I Funds, while Tailwind Capital Partners II (GP) LP serves as the general partner of the Tailwind II Funds and the Co-Investment Funds. Tailwind Capital Partners (GP) LP and Tailwind Capital Partners II (GP) LP (the “Related Advisors”) are affiliated advisers of Tailwind and each entity is registered as an investment adviser under the Advisers Act pursuant to Tailwind’s registration with the SEC. This brochure also describes the business practices of the Related Advisors, which operate as a single advisory business together with Tailwind. For further information regarding these entities, see “Other Financial Industry Activities and Affiliations” below.

As of December 31, 2016, Tailwind and its Related Advisors managed approximately \$1.5 billion on a discretionary basis on behalf of the Funds.

In providing services to the Funds, Tailwind executes the investment objective for each Fund, directs and manages the investment of each Fund’s assets, and provides periodic reports to investors in each Fund. Investment advice is provided directly to each Fund and not individually to the Fund’s investors. Tailwind manages the assets of each Fund in accordance with the terms

of the governing documents applicable to each Fund, which are generally established at the time of the formation of a Fund. The investors may not direct investments by the Funds, and except in limited circumstances, investors are not permitted to withdraw from a Fund prior to completion of the Fund's winding up.

Limited partner 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 either in private transactions within the United States or in offshore jurisdictions.

Item 5 Fees and Compensation

Management Fees

Tailwind receives an investment management fee from the Funds payable quarterly in advance. Such fees are pro-rated for any period that is less than a full quarter period. The Funds are charged an annual management fee at the rates and for the periods set forth in the confidential private placement memorandum and other governing documents of the Funds, which typically provide for a fee of 2.0% of capital commitments during the Funds' commitment period, and 1.50% of invested capital thereafter.

The management fee payable by a Fund is subject to reduction by the amount borne by the Fund in respect of the excess organizational expenses and placement fees and expenses described under "Expenses" below.

The management fee payable by a Fund may also be reduced by capital contributions made to the Fund by its investors in satisfaction of capital contributions that would otherwise have been funded by the Fund's general partner. Depending upon the timing of receipt, and the amount, of certain fee income (as described below under "Other Fees") that is required to be offset against and reduce future management fees, Fund investors who elect not to receive the fee income that remains unapplied after all management fees have been reduced will not receive the full benefit of the fee income offset. In addition, under such circumstances, Tailwind will be entitled to retain the unapplied fee income attributable to the Fund investors who made such election.

Carried Interest Allocations

Carried interest is a share of the net profits derived from investments that is allocated to a Fund's general partner as an incentive for Tailwind to maximize the performance of the Fund. The Funds are subject to a carried interest of 20% of net profits from investments, subject to an annualized effective internal rate of return of 8%, as more fully described in the confidential private placement memorandum and other governing documents of the Funds.

Arrangements with Certain Investors

Tailwind may in its sole discretion permit investors who are employees or otherwise related to Tailwind personnel to invest in a Fund without being subject to the management fee or the carried interest. In addition, certain investors may be entitled to invest on a reduced or otherwise more favorable management fee and/or carried interest basis pursuant to certain Side Letters (as defined in "Types of Clients" below) entered into by Tailwind with such investors.

The Co-Investment Funds are not charged any management fees or carried interest.

Other Fees

Tailwind and/or its affiliates may receive Other Fees (as defined below). A percentage of Other Fees received by Tailwind and/or its affiliates, net of certain expenses, in each case as set forth in the confidential private placement memorandum and other governing documents of the relevant Fund, will be applied to reduce the future management fees payable by the Fund. The term “Other Fees” means (i) any fees or amounts paid to Tailwind or any of its affiliates or a Fund by any party in connection with the acquisition, termination, cancellation or abandonment of any Fund investment or proposed Fund investment that is ultimately not consummated, including any transaction, closing, advisory, “break-up” or “topping” fees or (ii) any fees paid by a portfolio company or any affiliate of a portfolio company in connection with any Fund investment or proposed Fund investment that is ultimately not consummated, including any monitoring fees, advisory fees, director’s fees or consultant fees; provided that, in each case, Other Fees will not include (A) amounts paid as reimbursement for out-of-pocket expenses incurred in connection with providing services in respect of which such Other Fees were paid, or any amounts paid to consultants (including Operating Executives (as defined below)) and other third parties for consulting and advisory fees in connection with any Fund investment or potential Fund investment that is ultimately not consummated; and (B) any fee (including any management, administrative or other similar fee) paid to Tailwind or any of its affiliates by third parties or a Fund’s investors in respect of a co-investment vehicle or an aggregator or other similar vehicle established to co-invest alongside the Fund in connection with any Fund investment.

Operating executives retained as consultants to Tailwind (the “Operating Executives”) and senior advisors to Tailwind may receive Other Fees directly from portfolio companies, or share in Other Fees payable to Tailwind and/or its affiliates, but such amounts are not applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors. Similarly, from time to time, Tailwind may agree to pay a portion of Other Fees, such as a transaction fee, to another third party, such as a consultant, adviser, finder, broker, investment bank and/or co-investor involved in respect of a specific transaction. In such event, the portion of the Other Fees paid to such third parties is not applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors.

With respect to the implementation of certain arrangements described above, such as an advisory or monitoring agreement with a portfolio company, there may not be an independent third party involved negotiating such arrangements on behalf of the portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other terms, such as the reimbursement of expenses incurred by Tailwind and its affiliates, in such arrangements with the portfolio company.

As noted above, Tailwind and its affiliates also engage and retain Operating Executives, senior advisors, advisers, consultants, operating partners and other similar third party professionals, none of whom are employees or affiliates of Tailwind and who receive payments from, and/or equity (or equity-like) grants, issuances or allocations with respect to, portfolio companies, the Funds, Fund investment vehicles such as aggregator vehicles and/or other entities. In such circumstances,

the amounts of such fees or other compensation received by such persons may be retained by such persons and will not be deemed paid to or received by Tailwind and its affiliates, and such amounts will not be applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors.

The fee structures described herein may be modified from time to time. Detailed information regarding Other Fees and the amount of, and manner in which, Other Fees are applied to reduce management fees payable by a Fund is provided in such Fund's confidential private placement memorandum and other governing documents.

Expenses

In addition to the fees and carried interest described above, Fund investors will bear the expenses charged to the Funds. Those expenses will vary by Fund-by-Fund, but typically will include, without limitation:

- all out-of-pocket expenses incurred in connection with the sourcing, evaluation, making, holding, monitoring, maintaining, refinancing, pledging, sale or potential refinancing, pledging or sale of any Fund investment and all transactions and other costs and expenses related thereto including (A) expenses associated with the sourcing, investigating, researching, negotiating and structuring of investments including deal initiation expenses, investment banking, valuation, appraisal and custodial fees and expenses; fees and expenses of trustees, attorneys, administrators, advisors, consultants (including Operating Executives) and other professionals; and travel expenses (including expenses for first class or business class travel or, under limited circumstances, chartered travel for Tailwind investment professionals and Operating Executives and expenses for reasonable lodging, meals and related items); (B) any similar expenses associated with proposed investments that are ultimately not made by the Fund (it being understood that such similar expenses include expenses that would have been allocable to investors co-investing alongside the Fund or investors investing with the Fund in aggregator vehicles formed for the purpose of making such proposed investments had such proposed investments been consummated); and (C) fees and expenses of attending industry conferences or obtaining third-party research, data, analytics, modeling, structuring, pricing and execution services that are related to the Fund's investment activities;
- routine expenses of the Fund that are not reimbursed by portfolio companies including (A) legal, accounting, auditing, administrative, consulting (including Operating Executive) fees and expenses; (B) financing fees; (C) the management fee payable by the Fund; (D) expenses associated with the preparation and distribution of the Fund's financial statements, tax returns, Schedules K-1 and any other tax compliance and reports to Fund investors; (E) fees and expenses related to registration, qualification, exemption under and/or legal and regulatory compliance with any applicable U.S. federal, state, local, non-U.S. or other law or regulation relating to the Fund's activities including, without limitation, expenses relating to the preparation and submission of filings with the U.S. Securities and Exchange Commission (such as Form PF), U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service and other national, state, provincial or local regulatory authorities in any country or territory, expenses related to compliance with the Alternative

Investment Fund Managers Directive, expenses related to compliance with the Foreign Account Tax Compliance Act, and expenses related to any associated or similar legislation, regulations or guidance; (F) fees and expenses related to the implementation and monitoring of anti-money laundering and cybersecurity policies and procedures; (G) fees and expenses related to legal inquiries and examinations, including regulatory “sweeps” solely with respect to the Fund; (H) fees and expenses of third-party information systems, software and technology; (I) fees and expenses of data feeds, subscriptions, reports and similar items that are not included in the paragraph above; and (J) other administrative or operational expenses of the Fund not otherwise specifically covered herein;

- all litigation-related and indemnification expenses, the amounts of any judgments or settlements paid in connection therewith;
- all costs of organizing the Fund and all costs incurred in connection with the liquidation or winding-up of the Fund;
- all costs of organizing any acquisition vehicles and any blocker entities through which the Fund, directly or indirectly, makes or holds investments;
- taxes and other governmental charges levied against the Fund or payable by or with respect to the Fund or its investments;
- expenses incurred in connection with distributions to, and communications with, the Fund investors, and with holding meetings with Fund investors, including the annual meeting;
- expenses relating to defaults of Fund investors in the making of capital contributions;
- expenses incurred in connection with obtaining consents or waivers or effecting amendments to the Fund’s governing documents;
- reasonable out-of-pocket costs and expenses of the Fund investor advisory committee;
- premiums and fees for insurance to benefit, directly or indirectly, the general partner of the Fund, Tailwind or any of their respective affiliates or their respective shareholders, partners, members, officers, directors, employees, and agents, with respect to liabilities to any person in connection with the affairs of such entities and for directors’ and officers’ liability insurance, errors and omissions insurance, cyber insurance or other insurance policies or fidelity bonds, in each case to the extent such insurance or fidelity bonds relate to activities on behalf of the Fund or a Fund investment;
- interest expenses and other costs of any borrowing or financing and the costs of any hedging transactions; and
- all placement fees and expenses payable by the Fund to any person serving as a placement agent of the Fund in connection with the offering of limited partner interests in the Fund.

With respect to the limited partnerships that comprise the Tailwind I Funds and the Tailwind II Funds, all expenses will generally be allocated among each limited partnership in such fund

complex pro rata in accordance with the aggregate capital commitments of such limited partnerships; provided that any expenses attributable to a particular investment held by the Tailwind I Funds or the Tailwind II Funds will be allocated among each limited partnership in such fund complex pro rata in accordance with the aggregate invested capital of such limited partnership in such investment. The general partner of a Fund will also have the right in its discretion to allocate an expense in a different manner as set forth in the Fund's governing documents.

As noted above, the Tailwind I Funds and the Tailwind II Funds allocate the purchase of portfolio company interests to each limited partnership in such fund complex on a pro rata basis and on equivalent economic terms. Investments in portfolio companies may be made directly or through a holding company or other special purpose aggregator entity organized to hold the underlying portfolio company securities, and the expenses associated with these entities are reflected in the fair value of such underlying portfolio company securities.

All costs of organizing a Fund in excess of a specified amount and all placement fees and expenses borne by a Fund reduce management fees payable by the Fund on a dollar-for-dollar basis.

If a proposed transaction is not completed, it is possible that the full amount of expenses related to such proposed, but not completed, transaction ("broken deal expenses") will be borne by the Funds that expected to participate in such transaction even though there are other co-investors that would also have participated had such transaction reached completion. This is because other co-investors typically do not agree to bear any share of broken deal expenses with respect to a potential investment until such co-investors are contractually committed to invest in such investment. Furthermore, Tailwind may offer a co-investment opportunity after a transaction has been completed. Under such circumstances, a co-investor will make its investment at a time when the risk of a "broken deal" no longer exists.

Investors should review each Fund's confidential private placement memorandum and other governing documents to more fully understand the types of expenses that can be charged to the Funds and, indirectly, their investors. For more information regarding expenses related to Tailwind's Operating Executives and senior advisors, please see the description of Operating Executive and senior advisor activities, and related expenses, under the heading of "Methods of Analysis, Investment Strategies and Risk of Loss".

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

As described above, the general partners of the Funds, which are affiliates of Tailwind, receive a carried interest of 20% of net profits from certain Funds, subject to a preferred return, which calculation is based on the profits derived from investments. The carried interest may create an incentive for the general partner of a Fund to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments than would be the case if such carried interest were not allocated to the general partner.

Item 7 Types of Clients

Tailwind provides investment advisory services to the Funds. The minimum commitment for an investor in a Fund is outlined in each Fund's confidential private placement memorandum and other governing documents; however, Tailwind maintains discretion to accept less than the minimum commitment threshold. In addition, the Funds may enter into letter agreements or other similar arrangements (collectively, "Side Letters") with one or more investors that have the effect of establishing rights under, or altering or supplementing the terms of the governing documents of the Funds as they apply to a particular Fund investor. As a result of such Side Letters, certain investors may receive additional benefits that other investors will not receive, including without limitation better economic terms such as a reduced or otherwise more favorable management fee and/or carried interest, co-investment rights, information rights and transfer rights. The other investors will have no recourse against the Funds 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.

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. Also, investors will be required to make certain representations when investing in a Fund, including, but not limited to, representations 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 (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning applicable investor suitability criteria are set forth in the respective Fund's confidential private placement memorandum and subscription materials, which are furnished to each prospective investor.

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

Tailwind has a growth-oriented and operationally intensive investment strategy focused on three sectors: Healthcare, Business Services and Industrial Services. The Tailwind I Funds and the Tailwind II Funds primarily acquire companies in the smaller end of the middle market with enterprise values of up to \$250 million that require equity investments between \$25 million and \$100 million. Tailwind seeks to transform these entrepreneur-run businesses into professionally managed companies with sufficient scale to be desirable acquisition targets for both corporate and financial buyers.

To accomplish this transformation, Tailwind works with experienced management teams, entrepreneurs and Operating Executives to grow platform businesses through organic growth initiatives and add-on acquisitions. Tailwind's organic growth strategies include expanding geographic reach, broadening product or service offerings, assisting and augmenting management and adding sales and marketing resources. Tailwind also invests in upgrading information systems, financial resources and controls to support portfolio companies' accelerated growth. Tailwind's add-on acquisition strategy is aimed at materially increasing a platform's size, geographic reach, customer base, product or service offerings and, ultimately, its growth rate. These add-on acquisitions are typically smaller companies that can be acquired at accretive multiples and efficiently integrated.

The investment activities of the Funds are directed by an investment committee comprised of Tailwind's partners. The investment committee is supported by the investment professionals of Tailwind and, as described further below, the Operating Executives. Additionally, Tailwind has a disciplined investment process, which includes targeted sourcing of platform and add-on investments, consistent due diligence, a well-defined decision-making process and deal structuring designed to mitigate risk and properly align incentives with management. The execution of the Tailwind investment process draws on its sector focused practice groups, as well as support from a dedicated business development and sourcing team, and investor relations, legal and diligence resources. After sourcing a potential investment, Tailwind follows a clearly defined, multi-step investment process. This process is designed to prioritize actionable opportunities, identify threshold issues early and solicit investment committee feedback during multiple stages of due diligence. Once diligence has been completed and terms have been negotiated, the deal team presents the opportunity to the investment committee for final approval. The subsequent portfolio company monitoring processes, which are designed to ensure the timely and successful execution of each portfolio company's business plan, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

As described more fully in each Fund's confidential private placement memorandum, Tailwind also engages and retains Operating Executives and senior advisors who are not partners or employees of Tailwind or its affiliates but rather consultants engaged by Tailwind, the Funds or their portfolio companies, to provide advisory and key value-added services to, or with respect to potential and existing investments. For potential investments for the Funds, they may assist in identifying investment opportunities, providing industry-specific insights, conducting due diligence, facilitating financing and providing resources through and introductions to industry contacts. After a Fund investment is made, they may work closely with management of the portfolio company to provide industry expertise and experience to implement the value-creation plan constructed for the business and/or assist with exit transactions. In some cases, Operating Executives or senior advisors may take on more extensive roles with portfolio companies such as serving in a senior executive capacity or serving on the portfolio company's board of directors. To the extent they serve as directors, advisors or consultants of, or otherwise provide services to, a portfolio company or serve as consultants of, or otherwise provide services to, a Fund, expenses associated with engaging these individuals will generally be borne by such portfolio company or the Fund. These expenses may include the allocable portion of any cash compensation (including, retainer payments, consulting fees, directors' fees and/or, in some circumstances, bonuses), overhead allocation payments and expense reimbursement payments due to an Operating Executive or senior advisor, as well as the costs of compensatory equity in portfolio companies awarded to an Operating Executive or senior advisor. Any fees or other compensation received by such individuals will not be considered to be Other Fees that are applied to reduce the future management fees payable by a Fund.

All investing involves a risk of loss and the investment strategy offered by Tailwind could lose money over short or long periods. 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 investors will receive a return of their capital. The descriptions contained below are a brief

overview of different market risks related to Tailwind's investment strategy and potential conflicts of interest that may arise in connection with the activities of Tailwind and its affiliates, on the one hand, and the Funds on the other hand; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise.

Business with Portfolio Companies and Investors

Tailwind has in the past and may in the future engage portfolio companies of Tailwind to perform services for Tailwind or the Funds, and has in the past and may in the future recommend the services of one portfolio company to another portfolio company. Such arrangements are intended to be entered into on an arm's length basis, as the parties deem appropriate. In addition, Tailwind or its affiliates has in the past and may in the future utilize the services of one or more Fund investors and their affiliates on an arm's length basis, as the parties deem appropriate. These business arrangements with portfolio companies and Fund investors may give rise to conflicts of interest between the Fund, on the one hand, and a portfolio company, on the other hand or between portfolio companies.

Future Legal, Tax and Regulatory Risks for Private Equity Funds

Future legal, tax and regulatory changes could occur that may adversely affect a Fund or Tailwind. The regulatory environment for private equity funds is evolving, and changes in regulations that impact private equity funds may adversely affect the value of investments held by a Fund and the ability of the Fund to pursue its investment strategy. In light of the heightened regulatory environment in which the Funds and Tailwind operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, Tailwind and their affiliates to comply with applicable regulatory obligations. The Funds may also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators. The effect of any future regulatory changes on the Funds or Tailwind could be substantial and potentially adverse.

Reliance on the Principals of Tailwind

The successful investment of a Fund's assets will depend upon, among other things, the skill and expertise of the Tailwind professionals. There can be no assurance the Tailwind professionals will continue to be associated with a Fund throughout the life of the Fund. The loss of the services of Tailwind partners could have a material adverse effect on the performance and operation of a Fund. In addition, there can be no assurance that the Operating Executives will continue to be associated with a Fund throughout the life of a Fund. The loss of such relationships could also have an adverse effect on the Fund. Investors will have no right or power to participate in the management or control of the business of a Fund, and thus must depend solely upon the ability of Tailwind with respect to the Fund's operations.

Availability of Suitable Investments

While Tailwind believes that many attractive investments of the type in which the Funds invest are currently available, there can be no assurance that such investments will continue to be available or that available investments will continue to meet the Funds' investment criteria.

Furthermore, a Fund may be unable to find a sufficient number of attractive investment opportunities to meet its investment objectives. Past performance is not necessarily indicative of future performance.

Highly Competitive Market for Investment Opportunities

The business of identifying and structuring private equity investments is highly competitive and involves a significant degree of uncertainty. The Funds will be competing for investments with other private equity investment vehicles, as well as individuals, financial institutions and other institutional investors. Moreover, an ever-increasing number of private equity funds have been formed (and many existing private equity and other similar investment funds have grown in size). Various hedge funds have also created “side pockets” to participate in private equity or other more illiquid investment opportunities. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Beyond the activities of competitors, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy the Funds’ rate of return objectives, or realize upon their values, or that they will be able to invest fully their committed capital.

Risks in Effecting Operating Improvements

The success of a Fund’s investment strategy may depend, in part, on the ability of Tailwind to transform the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements.

Cybersecurity Threats

Tailwind, the Funds and any portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the Fund investors and Tailwind’s investment activities, or to render data or systems unusable, any of which could result in significant losses. Any cybersecurity attacks against Tailwind, the Funds or any portfolio companies could lead to the loss of sensitive information essential to such entity’s operations and could have a material adverse effect on such entity’s reputations, financial positions or cash flows, could lead to financial losses from remedial actions or loss of business, or could lead to potential liability.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites rendering them unavailable. The controls and procedures, business continuity systems, and data security systems of Tailwind, the Funds, the portfolio companies and each of their respective service providers could prove to be inadequate. These problems may arise in both the internally developed systems of Tailwind, a Fund or a portfolio company or in the systems of third party service providers.

Limited Number of Investments

The Funds may make only a limited number of investments and, as a consequence, the aggregate returns realized by the investors could be adversely affected in a material manner by the unfavorable performance of even one such investment. Moreover, since all of the Funds' investments cannot reasonably be expected to return capital, for the Funds to achieve above-average returns most of its investments must perform reasonably well. There can be no assurance that this will be the case.

Exclusion from Investments

Certain investors' participation in Fund investments may also be limited by virtue of a Fund's general partner's right to exclude an investor from participating in any Fund investment if the general partner determines in its reasonable discretion that such participation might have certain materially adverse effects on a portfolio company, the Fund or the general partner, including if such participation would be likely to result in violations of law or the imposition of materially burdensome regulatory or other legal requirements, or as a result of certain circumstances relating to the investor.

Financial and Business Risk

Investments made by the Funds will generally involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Portfolio companies may face intense competition, changing business or economic conditions or other developments that may adversely affect their performance. Business risks may be more significant in smaller portfolio companies or those that are embarking on a build-up or operating turnaround strategy. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of a Fund's investments in such portfolio company could be significantly reduced or even eliminated.

General fluctuations in the market prices of securities may affect the value of the investments held by a Fund. Instability in the securities markets may also increase the risks inherent in a Fund's investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield market or otherwise.

Long-Term Investments

A significant portion of a Fund's portfolio will typically consist of investments that will not be liquidated for a number of years after the initial investment. While a Fund's general partner may intend to achieve the Fund's target returns within a specified time horizon, other factors such as overall economic conditions, the competitive environment and the availability of potential acquirers may shorten or lengthen the Fund's holding period. The return of capital and the realization of gains, if any, will occur only upon the partial or complete disposition of a Fund investment. Therefore, it is unlikely that a Fund will realize substantial capital gains during its early years.

Investments Longer than Term

A Fund may make investments which may not be advantageously disposed of prior to the date the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Tailwind expects that investments will be disposed of during a reasonable wind-up period following the dissolution of a Fund or be suitable for in-kind distribution during such wind-up period, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as the Fund seeks to wind up its affairs.

Risk of Realization of Investments

Fund investments will typically be in private illiquid securities, which are normally subject to restrictions on resale. In most cases, there will be no public market for the securities held by the Funds at the time of their acquisition. A Fund will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, there can be no assurances that a Fund's investments can be sold on a private basis. In some cases, a Fund may be prohibited from selling such securities for a period of time or otherwise be restricted from disposing of such securities. In addition, investments in which a Fund holds minority interests may be subject to restrictions on the realization of such investments. Furthermore, the types of investments made by a Fund may require a substantial length of time to realize a return or fully liquidate. A Fund may exit some investments through distributions in kind to its partners, after which partners will bear the risk of holding the securities and must make their own disposition decisions.

As a result, there is a significant risk that a Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices, or will otherwise be unable to complete any exit strategy, of its investments. In particular, these risks could arise from changes in the financial condition or prospects of the portfolio company in which the investment is made, changes in national or international economic or political conditions, changes in debt and equity capital markets and changes in laws, regulations, fiscal policies or political conditions.

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may 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 incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by proceeds, including return of capital, from a Fund's other investments or by the investors.

Hedging Policies/Risks

In connection with the financing of certain investments, a Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, credit, securities prices and currency exchange. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While a Fund may benefit from the use of these hedging

mechanisms, unanticipated changes in interest rates, credit defaults, securities prices or currency exchange rates may result in a worse overall performance for a Fund than if the Fund had not entered into such hedging transactions. In situations in which a Fund is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, a Fund's collateral may be subject to the conflicting claims of the counterparty's creditors, and the Fund may be exposed to the risk of a court's treating the Fund as a general unsecured creditor of the counterparty, rather than as the owner of the collateral. Additionally, such hedging transactions will add to the cost of the investment, may require ongoing cash payments to counterparties, may subject a Fund to the risk that the counterparty defaults on its obligations and may produce different tax consequences to the Fund's investors than would apply if the Fund had not entered into such hedging transactions.

Risk of Bridge Financing

If a Fund uses bridge financing in a single transaction with the intent of refinancing such bridge financing, there is a risk that the Fund will be unable to complete the refinancing. This could lead to the Fund having a long-term investment in a junior or illiquid debt security.

Follow-On Investments

A Fund may be called upon to provide follow-on funding for its portfolio companies or may have the opportunity to increase its investment in such portfolio companies. There can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's ability to influence the portfolio company's future development.

Investments in Partnerships, Joint Ventures and Other Entities

The Funds expect to make investments through partnerships, joint ventures or other entities. Such investments may involve risks not present in direct investments, including, for example, the possibility that a joint venture partner of a Fund might have financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or that such joint venture partner may be in a position to take action contrary to the Fund's objectives. In addition, a Fund may in certain circumstances be liable for actions of its joint venture partners. Furthermore, if a joint venture partner defaults on its funding obligations, the Funds may be required to make up the shortfall. While a Fund's general partner will review the qualifications and previous experience of joint venture partners, it does not expect to obtain financial information from, or to undertake private investigations with respect to, prospective joint venture partners.

Leverage

A significant amount of leverage may be used in connection with investments. This leverage will increase the exposure of such investments to adverse economic factors such as significantly rising interest rates, severe economic downturns or deteriorations in the condition of the portfolio company or its industry. The percentage of leverage will vary depending on the ability to obtain credit facilities and the lender's and rating agencies' estimate of the stability of the particular

portfolio company's cash flow. The portfolio company will be required to comply with certain financial covenants under a credit facility. Lenders or other holders of senior positions will be entitled to a preferred cash flow prior to a Fund receiving a return on leveraged investments. In the event a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the investment in the portfolio company could be reduced significantly or even eliminated. The return on investments may be reduced to the extent that changes in market conditions increase the cost of financing relative to the income that can be derived from the assets acquired.

A Fund's general partner may obtain one or more revolving credit facilities that may be secured by, among other things, the aggregate capital commitments of the investors of the Fund, the investors' obligations to make capital contributions and a collateral account of the Fund into which the payment by the investors of their available capital commitments are to be made. Any inability of the Fund to repay such borrowings could enable a lender to take action against an investor to the extent of its then available capital commitment to the Fund.

Reliance on Management of Portfolio Companies

A Fund's general partner will monitor the performance of investments in portfolio companies either through interaction with the board of directors of the company and/or by maintaining an ongoing dialogue with the company's management team. However, management will be primarily responsible for the operations of the company on a day-to-day basis. Although it is the intent of the Funds to invest in companies with strong operating management, there can be no assurance that the existing management team, or any new one, will be able to operate the company successfully. In addition, portfolio companies may seek to attract and retain executives to their management teams. The market for executive talent can be extremely competitive. There can be no assurance that portfolio companies will be able to attract and retain suitable personnel to their management teams.

Risk Arising from Provision of Managerial Assistance

Tailwind expects to obtain rights to participate substantially in the conduct of the management of many of the Funds' portfolio companies. A Fund's general partner typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While Tailwind intends to operate the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Investment in Restructurings

The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities, which may exceed the value of the Funds' original investments therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed, or may be found liable for damage suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings involving non-U.S. portfolio companies may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These considerations will differ depending on the country in which each portfolio company is located or domiciled.

Control Person Liability

The Funds may have controlling interests in some of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), pension plan liability or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Minority Investments

The Funds may make minority equity investments in entities where the Funds do not effectively control or influence the business or affairs of such entities. Under such circumstances, there is the possibility that the entity in which a Fund's investments are made may have economic or business interests or goals that are inconsistent with those of the Fund, and the Fund may not be in a position to limit or otherwise protect the value of the Fund's investments in the entity. In addition, although the Funds may seek board representation in connection with their investments, there is no assurance that such representation, if sought, will be obtained. In such cases, a Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

Investments in Less Established Companies

The Funds may invest a portion of their assets in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by the Funds, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash

flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Certain potential portfolio companies may not have audited financial statements at the time a Fund is considering making an investment in such a company, and a Fund's valuation of such an investment will generally be determined based upon limited, if any, financial and other information provided by such portfolio company. Tailwind may not have sufficient information in order to be able (and expressly disclaims any obligation) to confirm or review the accuracy of the information provided by such portfolio companies. Accordingly, the valuation of investments in such portfolio companies is expected to be difficult and not without uncertainty, and may not necessarily reflect the actual value of these investments.

General Economic Conditions

While the financial markets have generally experienced a period of recovery since the beginning of 2009, market volatility remains high compared to historic standards. Volatility and disruption in the equity and credit markets could adversely affect the value of the Funds' portfolio companies. For example, the lack of available credit and/or the increased cost of credit may materially adversely affect the performance of a Fund that may rely heavily on leverage in connection with its investments. Disruptions in the debt and equity markets may make it more difficult for the Funds to exit and realize value from its investments because potential buyers of portfolio companies may not be able to finance acquisitions and the equity markets have become less favorable for initial public offerings. The volatility will also directly affect the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the valuation of the Funds' investments. Any or all of these factors may adversely affect investment returns for the Funds.

Non-U.S. Investments

Tailwind targets investments in the United States, but may invest, on a selective basis, in other geographic areas. The Funds may therefore make investments outside the United States and such investments involve certain additional risks. In addition, the Funds' portfolio companies may have substantial business activities in certain other countries, and may therefore be subject to certain risks associated with such other countries, such as a higher degree of government regulations, adverse political developments and/or unfavorable overall economies.

There is also often a high degree of government regulation in European economies, and action by European governments could have a significant effect on market conditions and the performance of the portfolio companies that derive significant revenues from European customers or businesses. In particular, the Funds and such portfolio companies may face risks relating to the expected exit of the United Kingdom from the European Union ("EU"). On June 23, 2016, the United Kingdom held a remain-or-leave referendum on the United Kingdom's membership of the EU, the result of which favored the exit of the United Kingdom from the EU ("**Brexit**"). A process of negotiation will determine the future terms of the United Kingdom's relationship with the EU, as well as whether the United Kingdom will be able to continue to benefit from the EU's free trade and similar agreements. Depending on the terms of Brexit, economic conditions in the

United Kingdom, the EU and global markets may be adversely affected by reduced growth and volatility. The uncertainty before, during and after the period of negotiation – the timing of which is unknown – may also have a negative economic impact and increase volatility in the markets, particularly in the United Kingdom and the Eurozone. Such negative economic impact and volatility could, in turn, adversely affect market conditions. In addition, the political and economic instability in the United Kingdom and other European countries, particularly countries in the Eurozone, could adversely affect the performance of the Funds' investment portfolios.

Recourse to Fund Assets

A Fund's assets, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability. Accordingly, investors could find their interests in a Fund's assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the Fund's general partner.

Restrictions on Transfer or Withdrawal

The interests in the Funds represent highly illiquid investments and should only be acquired by investors able to commit their funds for an indefinite period of time. Fund investors will not be permitted to transfer their interests without the consent of the applicable Fund's general partner. Furthermore, the transferability of the interests will be subject to certain restrictions contained in the governing documents of a Fund and may be affected by restrictions on resale imposed under federal and state securities laws.

Absence of Regulatory Oversight

The Funds are not registered as an investment company under the Investment Company Act, and, accordingly, the protections of the Investment Company Act are not applicable to the Funds. In addition, the interests have not been registered under the laws of any jurisdiction (including the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the laws of any state of the United States, or the laws of any non-U.S. jurisdiction), and were offered in reliance upon an exemption from such laws. The interests have not been recommended by any U.S. federal or state, or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of any Fund's confidential private placement memorandum.

Uncertainty of Financial Projections

A Fund's general partner will generally establish the pricing of transactions and the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Litigation Risks

Tailwind and its affiliates are subject to substantial litigation risks and may face significant liabilities and damage to their professional reputation as a result of litigation allegations and negative publicity. Such risks include potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which may include Tailwind investment professionals and the Operating Executives), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Funds, Tailwind or its affiliates. Tailwind and its affiliates are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, financial condition or results of operations of Tailwind, its affiliates and the Funds or cause significant reputational harm, which could seriously impact their business.

Indemnification

Each Fund has agreed to indemnify its general partner, Tailwind, any other affiliate of the general partner, all officers, directors, members, employees, stockholders, partners, agents or representatives of the general partner, Tailwind or any other affiliate of the general partner, the members of the investor advisory committee (or the investors such members represent) and the Operating Executives for liabilities which may be incurred in connection with the partnership agreement or the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to the investors. For example, in their capacity as directors of portfolio companies, Tailwind investment professionals or the Operating Executives may be subject to derivative or other similar claims brought by shareholders of such companies. Any indemnification obligations of a Fund will be payable from the assets of the Fund, including the unpaid capital commitments of the investors. If the assets of a Fund are insufficient, the general partner may recall certain distributions previously made to the investors of the Fund. The Funds maintain insurance to cover their indemnification obligations.

Defaulting Partners

Upon the failure of an investor to fund required capital contributions, the investor will be in default. The amount of such default will accrue interest. In addition, a Fund's general partner may exercise a number of remedies including (i) causing the defaulting investor to forfeit all or any portion of future distributions made by such Fund, (ii) causing the defaulting investor to be excluded from participating in future investments or (iii) causing a forced sale of the defaulting investor's interest. A Fund's general partner may also require the non-defaulting Fund investors to fund amounts to cover shortfall amounts arising from such a default. Unless a Fund's general partner elects to terminate a defaulting investor's unused commitment, the defaulting investor will continue to remain obligated to make capital contributions to such Fund up to the full amount of its available commitment.

General Partner Termination and Removal Rights

A supermajority vote of the investors of the Tailwind I Funds or the Tailwind II Funds (as set forth in the relevant Fund complex's governing documents and excluding for purposes of such

calculation the commitments of defaulting investors and investors affiliated with the Fund complex's general partner) have the right to remove the Fund complex's general partner at any time, terminate the commitment period or terminate the term of the Fund complex, and a lower vote of such investors (as set forth in the relevant Fund complex's governing documents and excluding for purposes of such calculation the commitments of defaulting investors and investors affiliated with the Fund complex's general partner) will have the right to remove the Fund complex's general partner for cause. Any termination or removal could prevent a Fund from continuing operations as currently contemplated. Such termination or removal may be considered adverse by the non-approving investors.

Other Fees

As described above, Tailwind or its affiliates will or may receive Other Fees. Except as otherwise set forth in a Fund's governing documents, Fund investors will receive no benefit from such Other Fees. The payment of such Other Fees by a portfolio company may also be viewed as reducing the value of such portfolio company and accordingly the value of the Fund's investment in such portfolio company.

When a fee is paid to Tailwind or its affiliates arising from a transaction where the Fund has invested, or proposes to invest, alongside other co-investors and/or co-investment vehicles, aggregators and/or other similar vehicles established to co-invest alongside the Fund in connection with such Fund investment, only the portion that is allocable to the Fund's investment (based on the Fund's investment percentage of the transaction) will reduce the obligations of the investors of the Fund to make capital contributions in respect of the management fee payable by the Fund to Tailwind. Accordingly, Tailwind or such affiliates will receive fees that are allocable to the investments made by such other co-investors and/or co-investment vehicles, aggregators and/or other similar vehicles alongside a Fund, and the amount of such fees will not reduce the obligations of the Fund investors to make capital contributions in respect of such management fee.

Diverse Membership

The investors of the Funds include taxable and tax-exempt entities and persons from jurisdictions outside of the United States. Such persons may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual Fund investors may relate to or arise from, among other things, the nature of the investments made by the Funds, the structuring of the acquisition of Fund investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Tailwind that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations, including with respect to the nature or structuring of investments. In selecting and structuring investments appropriate for the Funds, Tailwind will consider the investment and tax objectives of the Funds and the investors as a whole, and not the investment, tax or other objectives of any Fund investor individually.

Investments Involving Multiple Funds

A Fund may, from time to time, make an investment in a portfolio company in which one or more other Funds invest in a different part of the capital structure. There may be instances where such a portfolio company may become insolvent or bankrupt and where such Funds' interests in

such portfolio company may otherwise conflict. To the extent that a Fund holds securities in a portfolio company with rights, preferences and privileges that are different than those held by another Fund in the same portfolio company, Tailwind and its affiliates are likely to be presented with decisions when the interests of such Funds are in conflict. It is possible that in a bankruptcy proceeding, a Fund's interests may be subordinated or otherwise adversely affected by virtue of another Fund's involvement and actions relating to such investment.

Co-Investment Opportunities

As described herein, Tailwind may in its discretion make available certain opportunities to co-invest with a Fund to one or more investors of the Fund. The allocation of any such co-investment opportunities may or may not be in proportion to the commitments of such investors and are likely to involve different terms and fee structures. In these cases, while Tailwind will seek to act in the best interest of the Fund, a party could argue that the Fund received a smaller allocation in the particular investment than it otherwise would have received if Tailwind had not provided such investors with the co-investment opportunity. Any expenses attributable to a particular investment held by a Fund and any co-investment vehicle and/or committed co-investment fund, in each case established and managed by Tailwind or its affiliates, will generally be allocated among the Fund and such co-investment vehicle and/or committed co-investment fund pro rata in accordance with their respective aggregate invested capital in such investment. Any expenses associated with any proposed Fund investment that is ultimately not consummated (including any expenses that would have been allocable to co-investors had such proposed investments been consummated) will generally be borne by the Fund.

Investor Advisory Committee

A Fund's general partner may in certain situations choose to seek the approval of a majority of the members of the Fund's investor advisory committee to address potential conflicts of interest. The general partner may also choose to seek the approval of the investors with respect to such situations. Such approval may be sought from investors having a majority of the aggregate investor commitments, or from those having a majority of the capital invested in a particular investment, depending upon the circumstances. Any such approval by the investor advisory committee or Fund investors will be binding upon the Fund and all the Fund investors.

Tailwind I Funds and Tailwind II Funds

Conflicts of interest may arise in connection with management services rendered to the Tailwind I Funds and the Tailwind II Funds and the activities of the principals of Tailwind and other Tailwind professionals on behalf of any successor fund (if applicable), including, without limitation, in connection with follow-on investments by such successor fund in portfolio companies of Tailwind I Funds and the Tailwind II Funds (including in respect of timing, structuring and terms of such investments and the disposition thereof).

Management of the Fund

Except as otherwise described in the confidential private placement memorandums and governing documents of the Funds, employees, officers, directors, principals, members and affiliates of a Fund's general partner are not obligated to devote their full time to such Fund, but

will devote such time as a Fund's general partner in its sole discretion deems necessary to effectively carry out the operations of such Fund.

Conflicts with Portfolio Companies

Tailwind investment professionals and the Operating Executives may serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of the portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of a Fund with the investment in such portfolio company, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as a Tailwind investment professional or an Operating Executive and such individual's duties as a director of the portfolio company.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, certain Tailwind personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Privacy Policy

Tailwind has established policies with respect to nonpublic personal information provided to it with respect to individuals who are investors in a Fund.

Tailwind recognizes the importance of maintaining the privacy of any nonpublic personal information it receives with respect to each Fund investor. In the course of providing management services to a Fund, Tailwind collects nonpublic personal information about investors from the subscription agreements and the certificates and exhibits thereto that each investor submits to Tailwind. Tailwind may also collect nonpublic personal information about each investor from conversations and correspondence between each investor and Tailwind, both prior to and during the course of each investor's investment in a Fund.

Tailwind treats all of the nonpublic personal information it receives with respect to each Fund investor as confidential. Tailwind restricts access to such information to those Tailwind personnel, affiliates and agents who need to know the information in order for Tailwind to determine whether each investor meets the regulatory requirements for an investment in a Fund and to provide ongoing management services to a Fund. Tailwind maintains physical, electronic and procedural safeguards to guard each investor's nonpublic personal information.

Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms), to the Funds may also provide goods or services to or have business, personal, financial or other relationships with Tailwind and its affiliates. Such advisors and service

providers may be investors in a Fund, affiliates of Tailwind, sources of investment opportunities or co-investors or commercial counterparties. Additionally, certain employees of Tailwind may have family members or relatives employed by such advisors and service providers. These relationships may influence Tailwind in deciding whether to select or recommend such a service provider to perform services for a Fund. Notwithstanding the foregoing, transactions relating to a Fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which will take into account various considerations. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Tailwind or their affiliates as compared to services provided to a Fund, which in certain circumstances may result in more favorable rates or arrangements than those payable by a Fund.

Item 9 Disciplinary Information

Tailwind and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel. In connection with litigation filed against portfolio companies, certain Tailwind investment professionals may be named as co-defendants in their capacity as directors of such portfolio companies.

Item 10 Other Financial Industry Activities and Affiliations

Tailwind is affiliated with the Related Advisors. These companies provide investment management services to the Funds and are registered as investment advisers with the SEC.

Tailwind or a Related Advisor will be responsible for all decisions regarding portfolio transactions of the Funds and has full discretion over the management of the Funds' investment activities. All of the Related Advisors' investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the Related Advisors are subject to the supervision and control of Tailwind. Thus, the Related Advisors, all of their employees and the persons acting on their behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act against the Related Advisors.

Employees of Tailwind may serve as directors and officers of certain portfolio companies and, in that capacity, will be 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 individuals' duties as an employee of Tailwind and such individuals' duties as a director or officer of such portfolio company.

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

Tailwind has adopted a code of ethics pursuant to Rule 204A-1 under the Advisers Act that is predicated on the principle that Tailwind owes a fiduciary duty to the Funds. Accordingly,

employees of Tailwind must disclose or avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interest of the Funds. Tailwind will provide a copy of Tailwind's code of ethics to clients and prospective clients upon request.

Tailwind's employees that are Access Persons, as defined by Rule 204A-1, must have written clearance for all transactions involving initial public offerings, private placements, and certain publicly traded securities before completing the transactions. Tailwind may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. Tailwind 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. A copy of Tailwind's code of ethics is available upon request.

Tailwind, its employees or a related entity will have an investment in each Fund. For example, the general partner for each Fund is owned by Tailwind's partners. In addition, Tailwind and its general partners will participate in the Funds' investment programs by agreeing to commit a certain percentage of the Funds' total capital commitments or a certain amount as defined in the Funds' governing documents. Therefore, Tailwind, its employees or a related entity will indirectly participate in transactions effected for the Funds.

Item 12 Brokerage Practices

Tailwind 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 Tailwind transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the Funds. Tailwind is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for the Funds, Tailwind 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 Tailwind 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.

Tailwind 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 Tailwind's own research effort. Outside of routinely available research, Tailwind'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

Tailwind focuses on making private equity investments in middle-market companies. All investments are carefully reviewed and approved by an investment committee comprised of Tailwind's partners. The portfolio companies are reviewed on a regular basis and Tailwind'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.

Tailwind provides Fund investors with quarterly written reports and capital account statements, capital call/distribution notices, periodic press releases and annual tax information necessary to complete any applicable tax returns. Fund investors also receive annual audited financial statements. In addition, Tailwind holds annual meetings with the investors of the Funds as well as with the relevant Fund investor advisory committees.

Item 14 Client Referrals and Other Compensation

During a fundraising cycle, Tailwind may compensate placement agents who introduce new investors that commit capital to a Fund. Any fees and expense reimbursements payable to any such placement agents are generally borne by Tailwind through an offset against management fees payable by the relevant Fund.

Please see the discussion regarding Other Fees in "Fees and Compensation" above.

Item 15 Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, Tailwind has access to client accounts since an affiliate serves as the general partner of each Fund. Fund investors will not receive statements from the custodian. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Item 16 Investment Discretion

The general partner of each Fund has discretionary authority to determine, without obtaining specific consent from the Fund or its investors, the securities and amount to be bought or sold. Any limitations on authority are included in the Fund's confidential private placement memorandum and other governing documents, including Side Letters with particular Fund investors.

Where appropriate, Tailwind intends, but is not obligated, to provide co-investment opportunities to the Co-Investment Funds, certain Fund investors and other third party investors. These co-investment opportunities may be offered to the Co-Investment Funds or as interests in other limited partnerships or other similar entities formed for each investment. Tailwind will allocate the available investments among the Funds, such co-investment entity and any third parties, including strategic investors, lenders, Operating Executives and senior advisors of Tailwind, Fund investors and/or other investors, as it may in its sole discretion determine.

Item 17 Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Tailwind has adopted and implemented written policies and procedures governing the voting of client securities.

Most of the portfolio companies in which the Funds invest are private companies which typically do not issue proxies. However, in the event proxies have to be voted, Tailwind has adopted proxy voting policies and procedures, and will be responsible for voting proxies on behalf of the Funds. Tailwind will vote client proxies in a way that it believes will maximize shareholder value. Tailwind's investment professionals are generally responsible for making voting decisions with respect to proxies received.

In exercising its voting discretion, Tailwind and its employees will seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of Tailwind's Funds. Resolutions are reached after such conflicts are presented by the Chief Compliance Officer ("CCO") or Deputy Compliance Officer to a group consisting of at least a majority of Tailwind's members committee consisting of Tailwind's six partners. In situations where the group perceives a material conflict of interest, the vote under consideration and the perceived conflict of interest may be reviewed with the respective Fund's investor advisory committee. The committee will reach a consensus and make a recommendation regarding the proxy vote. The CCO or Deputy Compliance Officer will record the recommendation and vote the proxy according to the committee's recommendation.

Certain investment professionals of Tailwind serve as board members for the Funds' portfolio companies. In situations where Tailwind votes the proxy for a company in which an employee of Tailwind serves on the board of directors, Tailwind has determined that it does not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Funds' investment and to ensure that the Funds' interests are protected.

A record of all proxy votes cast on behalf of the Funds will be maintained and available for review. Fund investors should contact the CCO for a copy of the proxy voting policy or information with respect to a specific proxy vote.

Item 18 Financial Information

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