

INVESTMENT ADVISER BROCHURE
COURT SQUARE CAPITAL MANAGEMENT, L.P.

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Court Square Capital Management, L.P., a Delaware limited partnership (“Court Square Capital”). If you have any questions about the contents of this Brochure, please contact us at 212-752-6110. 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.

Court Square Capital 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 Court Square Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

This Brochure contains material changes to the initial Form ADV Part 2 filed by Court Square Capital Management, L.P. on February 14, 2012 (the “**Initial Brochure**”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Initial Brochure.

This Brochure reflects the following material changes to the Initial Brochure: (1) conforming changes to the amounts of assets under management; (2) the insertion of information regarding additional Funds and Co-Investment Funds (as each is defined below); and (3) an update of the aggregate amount the Management Fee will be reduced with respect to Court Square Capital Partners III, L.P.

ADVISORY BUSINESS

Court Square Capital, a registered investment adviser, and its affiliated investment advisers, CSC Fund I GP, LLC (“**Fund I GP**”), Court Square Capital GP, LLC (“**Fund II GP**”), Court Square Capital GP III, LLC (“**Fund III GP**”, and together with Fund I GP and Fund II GP, the “**General Partners**”), Court Square Advisor LLC (“**Manager I**”), CSC Manager, L.P. (“**Manager II**”), and Court Square Capital Manager III, L.P. (“**Manager III**”), and together with Manager I, Manager II, collectively, the “**Managers**” and the General Partners, the Managers and Court Square Capital, collectively, the “**Advisers**”) provide investment advisory services to private investment funds. Each of the General Partners and each of the Managers are registered under the Investment Advisers Act pursuant to Court Square Capital’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner and each Manager, which operate as a single advisory business together with Court Square Capital.

Court Square Capital commenced operations in August, 2006. As described in “Supplemental Information About Certain Managing Partners of Court Square Capital”, the Managing Partners (as defined below) worked together as a team of investment professionals prior to the founding of Court Square Capital.

Fund I GP has delegated the management of the business and affairs of Fund I to Manager I. Fund II GP has delegated the management of the business and affairs of Fund II to Manager II, which in turn has delegated such management to Court Square Capital. Fund III GP has delegated the management of the business and affairs of Fund III to Manager III, which in turn has delegated such management to Court Square Capital. (See below for a list of Fund I, Fund II and Fund III funds; Fund I, Fund II and Fund III each, a “**Fund**,” collectively, the “**Funds**” and together with any future private investment fund managed by Court Square Capital, the “**Private Investment Funds**”).

The Funds and any other Private Investment Funds are private equity funds and invest through negotiated transactions in operating entities. Court Square Capital’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although

investments in public companies are permitted subject to certain limitations set forth in the applicable Fund's limited partnership agreement or exempted limited partnership agreement, as applicable (each, a "**Fund Agreement**"). From time to time, where such investments consist of portfolio companies, the Managing Partners or other personnel of Court Square or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over the management of a Fund's portfolio companies.

Fund I GP, a Delaware limited liability company, is the general partner of the private funds listed below (together with Executive Fund I, any feeder vehicles, alternative investment vehicles, and other special purpose entities, "**Fund I**").

- Court Square Capital Partners, L.P. (formerly known as Citicorp Venture Capital Equity Partners, Ltd, L.P.), a Delaware limited partnership ("**Main Fund I**")
- CSC SSB Fund, L.P., a Delaware limited partnership ("**Employee I**")

CVC Executive Fund LLC, a Delaware limited liability company that is not controlled by the Advisers or the Managing Partners, invests side-by-side with Main Fund I in each Fund I portfolio company on a pro rata basis (based on their respective capital commitments).

Park Avenue Plaza, LLC, a Delaware limited liability company, is controlled by the Managing Partners. Its sole purpose is to acquire, hold and dispose of limited partnership interest in Fund I.

Fund II GP, a Delaware limited liability company, is the general partner of the private funds listed below (together with any feeder vehicles, alternative investment vehicles) and other special purpose entities, "**Fund II**").

- Court Square Capital Partners II, L.P., a Delaware limited partnership ("**Onshore II**")
- Court Square Capital Partners (Executive) II, L.P., a Delaware limited partnership ("**Executive II**")
- Court Square Capital Partners (Offshore) II, L.P., a Cayman Islands exempted limited partnership ("**Offshore II**")
- Court Square Capital Partners II-A, L.P., a Delaware limited Partnership ("**Fund II-A**")

While the substantial majority of the terms of each above-named fund are the same, each of such funds was formed to suit the purposes of certain types of investors (e.g., U.S. tax-exempt investors, non-U.S. investors, etc.) so there are slight variations in structure and investment terms among the funds. Investors should refer to the private fund's Fund Agreement for specific terms with respect to that private fund.

Additionally, Fund II affiliates are the manager of each of the following co-investment funds (collectively, the "**Fund II Co-Investment Funds**"), which were formed for the purpose

of investing side-by-side with Fund II in a certain portfolio company investment of Fund II on the same terms on a *pro rata* basis based on relative commitment sizes of Fund II and the relevant Fund II Co-Investment Fund.

- CSC Encompass Holdings, LLC
- IWCO Debt Holdings, LLC
- CSC CompuCom Systems Holding Co-Investment, LLC
- CSC Firefox Co-Investment, LLC
- CSC Wyle Co-Investment, LLC
- CSC MacDermid Co-Investment, LLC

Fund III GP, a Delaware limited liability company, is the general partner of the private funds listed below (together with any feeder vehicles, alternative investment vehicles and other special purpose entities, “**Fund III**”).

- Court Square Capital Partners III, L.P., a Delaware limited partnership (“**Onshore III**”)
- Court Square Capital Partners (Executive) III, L.P., a Delaware limited partnership (“**Executive III**”)
- Court Square Capital Partners III-A, L.P., a Delaware limited partnership (“**Onshore III-A**”)
- Court Square Capital Partners (Offshore) III, L.P., a Cayman Islands exempted limited partnership (“**Offshore III**”)

While the substantial majority of the terms of each above-named fund are the same, each of such funds was formed to suit the purposes of certain types of investors (e.g., U.S. tax-exempt investors, non-U.S. investors, etc.) so there are slight variations in structure and investment terms among the funds. Investors should refer to the private fund’s Fund Agreement for specific terms with respect to that private fund.

Additionally, Fund III GP intends to be the manager of co-investment funds (collectively, the “**Fund III Co-Investment Funds**”), which will be formed for the purpose of investing side-by-side with Fund III in a certain portfolio company investment of Fund III on the same terms on a *pro rata* basis based on relative commitment sizes of Fund III and the relevant Fund III Co-Investment Fund.

Court Square Capital manages the assets of CM Liquidating Partnership, L.P. (“CM Fund”). CM Fund holds the remaining assets of Citicorp Mezzanine III, L.P. (“CMIII”). Court Square Capital had served as investment advisor to CMIII. It is now the GP and Investment Manager of CM Fund.

Court Square Capital’s advisory services for the Private Investment Funds are further detailed in the applicable private placement memoranda and the supplements thereto (each, a “**Private Placement Memorandum**” and, collectively, the “**Private Placement Memoranda**”),

the Fund Agreements and are further described below under “**Methods of Analysis, Investment Strategies and Risk of Loss.**” Investors in the Private Investment Funds participate in the overall investment program for the applicable fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Advisers have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under or altering or supplementing the applicable Fund Agreement.

As of December 31, 2012, Court Square managed approximately \$ 6.838 billion in client assets on a discretionary basis. Court Square Capital is controlled by its general partner, CSC GP, LLC, a Delaware limited liability company (“**CSC GP**”). CSC GP is governed by a board of managers consisting of William T. Comfort, Michael A. Delaney, Joseph M. Silvestri, David F. Thomas, Ian D. Highet, Thomas F. McWilliams and John D. Weber (collectively, the “**Managing Partners**”). No single person is a principal owner of Court Square Capital or CSC GP. Manager I is controlled by Court Square Capital, which is the sole member of Manager I. No single person other than Court Square Capital is the principal owner of Manager I. Manager II is controlled by its general partner, CSC Manager GP, LLC, a Delaware limited liability company, which is controlled by the Managing Partners. No single person is the principal owner of Manager II or CSC Manager GP LLC. Manager III is controlled by its general partner, CSC GP. No single person is a principal owner of Manager III.

FEES AND COMPENSATION

In general, Court Square Capital receives (directly or indirectly) a Management Fee in connection with the advisory services it provides to the Funds. Court Square Capital or other Court Square entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fee otherwise payable to Court Square Capital or its affiliates. Limited Partners in the Funds also bear certain fund expenses.

Management Fees

Fund I

Fund I pays a quarterly management fee (“**Management Fee**”) equal to 0.75% *per annum* of the sum of investment contributions with respect to investments that are not realized investments and the aggregate commitments available to fund follow-on investments in portfolio companies. Effective January 1, 2013, Fund I GP ceased charging a Management Fee.

Manager I applies 60% of any closing fees, commitment fees, monitoring fees, directors’ fees, break-up fees, consulting fees, managing fees, investment banking fees and other similar fees (“**Portfolio Company Fees**”) received, directly or indirectly, by Fund I GP, Manager I or any of their respective partners, managers, members, officers or employees (to the exclusion of Citigroup Inc., Citigroup Venture Capital LP Holdings, Ltd., or Citicorp Venture Capital Investors Limited) from a portfolio company in connection with an investment to reduce the Management Fee for the quarterly period immediately succeeding the quarterly period in which such Portfolio Company Fee was received by the applicable entity. In the event that the amount

of Portfolio Company Fees to be applied against the Management Fee exceeds the Management Fee for the immediately succeeding quarterly period, such excess shall be carried forward to reduce the Management Fee payable in following quarterly periods. Manager I shall pay to each Fund I limited partner such limited partner's pro rata share of any unused excess at the time the Management Fee ceases to be payable except to the extent that such limited partner has waived its right to receive such unused excess. Installments of the Management Fee payable for any period other than a full quarterly period shall be adjusted on a pro rata basis according to the actual number of days in such period.

Fund I's Management Fee will be further reduced in the circumstances and by the amounts described in the Fund I Fund Agreement.

Fund II

Executive II and the Fund II Co-Investment Funds do not pay a Management Fee. Other than Executive II and the Fund II Co-Investment Funds, Fund II pays an annual Management Fee equal to 1.00% per annum of the net amount of (A) the aggregate amount of investment contributions of the Class A Limited Partners, less (B) the aggregate amount of distributions returned in respect of such investment contributions to the Class A Limited Partners, less (C) the aggregate amount of investment contributions of the Class A Limited Partners used to fund investments that have been completely written-off in accordance with Fund II's Fund Agreement, but only to the extent such written-off amount has not been returned to the Class A Limited Partners, less (D) the aggregate amount of investment contributions of the Class A Limited Partners used to fund investments that have been permanently written down, but only to the extent such written-down amount has not been returned to the Class A Limited Partners, in each case, determined as of the first day of the period with respect to which a determination is being made; provided, that distributions made to the Class A Limited Partners with respect to investments in a portfolio company shall be treated as having been distributed for purposes of clause (B) only to the extent the aggregate fair market value of all remaining investments in such portfolio company is less than the aggregate investment contributions with respect to all existing and former investments in such portfolio company, as determined on the first day of the period with respect to which a determination is being made. Throughout this Brochure, the "**Class A Limited Partners**" of a Fund mean the limited partners of such fund but excluding any Advisers or their respective affiliates who are also limited partners of such Fund.

With respect to Onshore II, the Management Fee shall be reduced, over the life of Onshore II, by \$13,100,000 (the "**Fund II Fee Reduction Amount**"). In furtherance thereof, the Management Fee payable on any Management Fee due date shall be reduced by an amount (each, a "**Fund II Periodic Reduction Amount**") equal to the least of (A) the portion of the Fee Reduction Amount that Manager II has elected to apply to reduce the Management Fee otherwise payable on such Management Fee due date, (B) the amount that would be payable to Manager II on such Management Fee due date, without giving effect to any such reductions, waivers or offsets and (C) the excess, if any, of (i) the Fund II Fee Reduction Amount over (ii) the aggregate Fund II Periodic Reduction Amounts as of such date.

The Management Fee payable on any Management Fee due date will be further reduced by an amount (the "**Fund II Waived Fee Amount**") equal to the lesser of (i) the amount of the

Management Fee that Manager II has irrevocably elected to waive with respect to such Management Fee due date or (ii) the amount that would otherwise be payable to Manager II on or with respect to such Management Fee due date (after giving effect to any Fund II Periodic Reduction Amount but without giving effect to the Offset Amount (defined below) or the Waived Fee Amount). Any Fund II Periodic Reduction Amount and any Fund II Waived Fee Amount shall reduce later capital contributions of Manager II, in its capacity as a limited partner of Fund II, to Fund II and correspondingly increase later capital contributions of the other limited partners of Fund II.

Manager II will apply the Class A Limited Partners' share of (i) any placement agent fees paid by Fund II, (ii) any organizational expenses (other than placement agent fees) in excess of \$2,000,000 paid by Fund II and (iii) 80% of any Portfolio Company Fees (the aggregate amount of clauses (i), (ii) and (iii), the "**Fund II Offset Amount**") to reduce the Management Fee; provided, that the Fund II Offset Amount shall be reduced by the amount by which Manager II has irrevocably elected to reduce the Management Fee payable on any Management Fee due date preceding the date on which such placement agent fee or such organizational expense is paid by Fund II or such Portfolio Company Fee is received. In the event that the Fund II Offset Amount to be applied against the Management Fee exceeds the Management Fee for the immediately succeeding quarterly period, such excess shall be carried forward to reduce the Management Fee payable in following quarterly periods. All remaining Portfolio Company Fees shall be retained by the applicable Fund II GP related person and shall not be subject to offset or rebate. Due to any reduction or waiver of Management Fees and/or timing of receipt of Portfolio Company Fees subject to offsets, it is possible that the Fund II Offset Amount will not be fully realized by investors in Fund II, resulting in an additional benefit to Court Square Capital.

Fund II's Management Fee will be further reduced in the circumstances and by the amounts described in the Fund II Fund Agreements.

Fund III

Executive III and potential Fund III Co-Investment Fund will not pay a Management Fee. Other than Executive III and the potential Fund III Co-Investment Funds, Fund III pays a Management Fee equal to 1.50% of the aggregate commitments of the Class A Limited Partners for the period beginning on the Effective Date (as defined in the applicable Fund III Fund Agreement) and ending upon the earlier of (i) the date on which the commitment period of Fund III expires or is terminated and (ii) the date on which the operation of a new equity fund with primary investment objectives substantially similar to Fund III is commenced. The Management Fee shall be payable in advance on a quarterly basis by Fund III on January 1, April 1, July 1 and October 1 of each year until the final distribution of the Fund III's assets.

Effective upon the earlier of (i) the date on which the commitment period of Fund III expires or is terminated and (ii) the date on which the operation of a new equity fund with primary investment objectives substantially similar to Fund III is commenced, the Management Fee will be reduced to 1.00% per annum of the net amount of (A) the aggregate amount of investment contributions of the Class A Limited Partners, less (B) the aggregate amount of distributions returned in respect of such investment contributions to the Class A Limited Partners pursuant, less (C) the aggregate amount of investment contributions of the Class A Limited

Partners used to fund investments that have been completely written-off, but only to the extent such written-off amount has not been returned to the Class A Limited Partners, less (D) the aggregate amount of investment contributions of the Class A Limited Partners used to fund investments that have been permanently written down, but only to the extent such written-down amount has not been returned to the Class A Limited Partners, in each case, determined as of the first day of the period with respect to which a determination is being made; provided, that distributions made to the Class A Limited Partners with respect to investments in a portfolio company shall be treated as having been distributed for purposes of clause (B) only to the extent the aggregate fair market value of all remaining investments in such portfolio company is less than the aggregate investment contributions with respect to all existing and former investments in such portfolio company, as determined on the first day of the period with respect to which a determination is being made.

With respect to Onshore III only, the Management Fee shall be reduced, over the life of Onshore III, by \$15 million. In furtherance thereof, the Management Fee payable on each Management Fee due date shall be reduced by an amount (each, a “**Fund III Periodic Reduction Amount**”) equal to the least of (A) the portion of the Fee Reduction Amount that Manager III has elected to apply to reduce the Management Fee otherwise payable on such Management Fee due date, (B) the amount of Management Fees that would be payable to Manager III on such Management Fee due date without giving effect to any such reductions, waivers or offsets and (C) the excess, if any, of (i) the Fund III Fee Reduction Amount over (ii) the aggregate Fund III Periodic Reduction Amounts as of such date.

The Management Fee payable with respect to each Management Fee due date shall be further reduced by an amount (the “**Fund III Waived Fee Amount**”) equal to the lesser of (i) the amount of the Management Fee that Manager III has irrevocably elected to waive with respect to such Management Fee due date and (ii) the amount that would otherwise be payable to Manager III on or with respect to such Management Fee due date (after giving effect to any Fund III Period Reduction Amount but without giving effect to the Fund III Offset Amount (defined below) or the Fund III Waived Fee Amount). Any Fund III Periodic Reduction Amount and any Fund III Waived Fee Amount shall reduce later capital contributions of Manager III, in its capacity as a limited partner of Fund III, to Fund III and correspondingly increase later capital contributions of the other limited partners of Fund III.

Manager III shall apply the Class A Limited Partners’ Share of (i) any placement agent fees and expenses paid by Fund III, (ii) any organizational expenses (other than placement agent fees and expenses) in excess of \$3,000,000 paid by Fund III, and (iii) 100% of any Portfolio Company Fees (the aggregate amount of clauses (i), (ii) and (iii), the “**Fund III Offset Amount**”) to reduce the Management Fee for the quarterly period succeeding the quarterly period in which such placement agent fee or such organizational expense was paid by Fund III or such Portfolio Company Fee was received; provided, that the Fund III Offset Amount shall be reduced by the amount which Manager III has irrevocably elected to reduce the Management Fee payable on any Management Fee due date preceding the date on which such placement agent fee or such organizational expense is paid by Fund III or such Portfolio Company Fee is received. In the event that the Fund III Offset Amount to be applied against the Management Fee exceeds the Management Fee for the immediately succeeding quarterly period, such excess shall be carried forward to reduce the Management Fee payable in following quarterly periods. Any such excess

Fund III Offset Amount that is attributable to Portfolio Company Fees that remains unapplied as of the dissolution of Fund III shall be retained by the applicable Fund III GP related persons. As of the final distribution of Fund III's assets, the Fund III GP, Manager III or any of their affiliates shall rebate directly to any Class A Limited Partner that has elected to receive its pro rata share of such excess Fund III Offset Amount an amount of Management Fees equal to the lesser of (i) the product of (x) such excess Fund III Offset Amount, multiplied by (y) a fraction, the numerator of which is such Class A Limited Partner's commitment, and the denominator of which is the commitments of all Class A Limited Partners and (ii) the aggregate Management Fees previously paid by such Class A Limited Partner.

The Management Fee will be further reduced in the circumstances and by the amounts described in the Fund III Fund Agreements.

Other Information

Court Square Capital may exempt certain investors in Private Investment Funds from payment of all or a portion of Management Fee and/or Carried Interest, including Court Square Capital and any other person designated by Court Square Capital. Any such exemption from fees and/or Carried Interest may be made by direct exemption, a rebate by Court Square Capital and/or its affiliates, or through other Private Investment Funds which so invest with the Funds.

The Funds and any other Private Investment Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Fund Agreements over the term of the Funds (or the relevant Private Investment Funds, as applicable) and limited partners generally are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Funds, as applicable). The General Partners reserve the right to waive all or a portion of any Management Fee and/or Carried Interest payable by limited partners of their respective Funds or other Private Investment Funds.

In addition to the Management Fee and Carried Interest, the Funds bear certain expenses. As set forth in their Fund Agreements, the Funds may bear certain expenses to the extent not paid by portfolio companies, including legal, accounting, auditing, investment banking, travel, printing, consulting, research, brokerage, finder's fees, custody, transfer, government and registration, insurance, advisory board, interest, taxes and other similar fees and expenses including any such expenses incurred in connection with proposed transactions for which Court Square Capital had selected such Fund as a proposed investor but that are not consummated ("**Broken Deal Expenses**"), but not Court Square Capital expenses in connection with the maintenance and operation of its offices (such as compensation of its employees, rent, utilities and general office expenses). Brokerage fees may be incurred in accordance with the practices set forth in "**Brokerage Practices.**" Co-Investment Funds generally are formed in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no Co-Investment Fund generally will have been formed, and the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Fund or Funds selected by the Advisor as proposed investors for such proposed transaction.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Court Square Capital does not receive a carried interest allocation (“**Carried Interest**”) for its advisory services to the Funds. Rather, Fund I GP receives a Carried Interest equal to 20% of all aggregate realized profits from Main Fund I. Fund I GP receives a Carried interest equal to 13.085% of all aggregate realized profits from SSB I. Fund II GP receives a Carried Interest equal to 20% of all aggregate realized profits from each of Onshore II, Offshore II and Executive II, and a Carried Interest equal to 16% of all aggregate realized profits from Fund I I-A. Fund III GP receives a Carried Interest equal to 20% of all aggregate realized profits from each of Onshore III, Offshore III, Onshore III-A and Executive III. Carried Interest is more fully described in the each Fund’s respective Fund Agreement. If any General Partner receives Carried Interest distributions during the life of the applicable Fund which are, in the aggregate, in excess of 20% (or 16%, in the case of Fund II GP with respect to Fund II -A) of such Fund’s cumulative net profits, then such excess Carried Interest distributions will be subject to repayment by such General Partner. The Co-Investment Funds are not subject to a Carried Interest. Other than the Co-Investment Funds, the Advisers do not advise Private Investment Funds not subject to a Carried Interest, although the General Partners may waive Carried Interest with respect to certain affiliated limited partners in the applicable Fund, as described under “**Fees and Compensation.**”

TYPES OF CLIENTS

Court Square Capital provides investment advice to Private Investment Funds, including the Funds. Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Managing Partners or other employees of Court Square Capital and its affiliates.

Each of Fund I and Fund II is closed to new investors. Fund III is currently open to new investors and has a minimum investment amount of \$10 million, although Fund III GP reserves the right to accept smaller participations. Fund III interests are offered and sold solely to accredited investors within the meaning of the rules promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) who are also qualified clients (or qualified knowledgeable Court Square personnel). Such minimum investment amount may be waived by Court Square Capital, but generally will not be less than \$100,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Court Square Capital generally invests in middle-market buyouts in businesses predominantly in the U.S. that Court Square believes possess earnings growth potential. Court Square believes that it has the expertise, network and experience to identify investment opportunities and create value in its portfolio companies.

Court Square primarily invests in the following sectors: business services, general industrial, healthcare, and technology & telecommunications (the “**Target Industries**”). Court Square typically acquires a controlling equity interest in its portfolio companies. Fund III, for example, will typically make equity investments of approximately \$75 million to \$250 million in companies that have an enterprise value of \$150 million to \$1.0 billion.

There can be no assurance that the Advisers will achieve the investment objectives of the Funds and a loss of investment may be possible.

Investment and Operating Strategy

Sourcing Advantages

Court Square identifies investment opportunities by relying on a network of relationships, domain expertise and a reputation built over three decades of middle-market investing. Court Square targets investments where Court Square has preferential or exclusive access outside of broad auctions. In such situations, Court Square often benefits from more time and broader access to management and the business, enabling a more accurate assessment of an investment’s opportunities and risks. Using its network, domain expertise and reputation, Court Square hopes to source investments on the preferential or exclusive basis.

Broad Network. Court Square has built and maintained an extensive network of relationships over the last 30+ years of middle-market investing. The foundation of Court Square’s sourcing is the network of current and former portfolio company executives, board members and investment partners with whom Court Square has built relationships—these relationships play a role throughout the investment process, including in evaluating, executing and monitoring investments.

Supplementing these relationships, Court Square maintains an informal sourcing network of active industry executives and consultants as well as intermediaries including bankers, accountants and lawyers. Court Square also formalizes sourcing relationships with industry executives, who possess insight and contacts within a market segment that Court Square has identified as being potentially attractive.

Domain Expertise. Court Square believes it possesses insight, experience and relationships in the Target Industries. Court Square looks for underlying industry dynamics and trends that it believes will drive strong growth and then seeks businesses that are well-positioned to take advantage of such trends. Court Square strives to regularly re-evaluate its sourcing focus based on changing industry trends and conditions. Court Square regularly monitors its Target Industries for underappreciated or under-resourced sectors that represent potentially attractive investment opportunities.

Experience / Reputation. Over its numerous years of investing, Court Square believes it has developed the reputation as a reliable buyer and value-added partner. Court Square believes that these qualities are important in situations where a seller will have a continued interest in, or an ongoing relationship with, the business, or when management teams have significant influence over a target’s sale process. In cases where the seller is seeking more than just the

highest price, Court Square believes its reputation as a responsible owner and value-added partner may position Court Square as a preferential acquirer.

Disciplined Investment Culture

Court Square believes it has developed a disciplined investment culture; one based on significant financial commitment from Court Square itself, which creates a strong alignment of interest within Court Square and with the limited partners. Court Square believes its investment process is thorough and data-driven. Court Square values active senior partner involvement, early and frequent interaction with the investment committee and transparency and open debate of investment issues.

Alignment of Interests. Court Square's participation through significant co-investment continues to be a core principle. With a substantial amount of personal capital invested, Court Square and its Investment Team (as defined below) not only stand to benefit on the upside, but also lose significant personal capital if a Fund experiences a loss. Court Square believes this commitment demonstrates the Investment Team's confidence in its capabilities and investment strategy and also creates a strong alignment of interest within Court Square and with its limited partners. To further reinforce this alignment of interests, all members of the Investment Team (including the Managing Partners and Court Square partners, principals and vice presidents) receive participation in a Fund's carried interest.

Collaborative and Transparent Culture. To fully leverage the Investment Team's investment experience, consisting of the Managing Partners and Court Square partners (collectively, the "**Investment Team**"), Court Square believes it has created a culture that encourages open and candid debate of an investment's merits and issues. Court Square's deal teams typically consist of five to six investment professionals, including two managing partners, to ensure each team benefits from Court Square's experience. Court Square places considerable emphasis on the transparent and balanced presentation of the business risks and opportunities throughout the investment evaluation process. Each transaction typically receives early and frequent review by the investment committee to ensure that key investment considerations have been identified and adequately addressed. Investment committee materials are distributed throughout Court Square and all investment professionals are encouraged to share their experience and insights. Court Square believes its collaborative approach leverages the considerable experience resident in Court Square and results in more balanced and informed investment committee decisions.

Fact-based, Data-Driven Approach. Court Square typically conducts extensive due diligence designed to thoroughly evaluate a business. Court Square believes that such due diligence identifies value creation opportunities and accesses the management team's ability to achieve a business's potential. Court Square also utilizes its network of current and former portfolio managers to assist in business and operational evaluations through discussions with industry experts, competitors, customers, suppliers, employees and former employees.

Court Square normally develops a financial model based on key business drivers. In addition to formulating a conservative base case, the Investment Team typically conducts sensitivity analysis to gain an understanding of the implications resulting from changes to

projection assumptions and economic environments. Court Square believes it takes a conservative approach when designing each capital structure to ensure that the amount and terms of the leverage provide a business with flexibility in the event of an economic downturn or unexpected business disruption.

Portfolio Company Value Creation

Court Square strives to build strong management teams and works closely with them to identify and pursue each business's key value drivers. The development of a value-creation roadmap begins in the due diligence process and is subsequently refined and implemented promptly after acquisition. Value creation is pursued using multiple levers, including revenue growth, cost reduction, cash flow management, acquisitions, divestitures and strategic repositioning. In situations where unique skills or knowledge are required, Court Square augments the management team by accessing its network of operating executives and other specialists.

Support and Build Strong Management Teams. Court Square focuses on supporting and building strong management teams. Beginning with the due diligence process, Court Square evaluates the senior management team to determine what changes or additions might be necessary to achieve a business's full potential. Given the importance of high-quality portfolio company management, prospective management teams often meet with the investment committee. Once an investment has been made, Court Square continues to assess the management team based on performance and changing business needs to ensure the management team is properly resourced to effectively execute its business plan. Where changes to the senior management team are necessary, Court Square works with the portfolio company to recruit appropriate talent. Court Square also implements an equity driven compensation program to align the interests of Court Square and the management team.

Active Participation. Upon acquiring a portfolio company, members of the Investment Team responsible for evaluating an opportunity typically serve on the board of directors (or equivalent body) of such portfolio company and become responsible for overseeing the investment. Since multiple senior members of the Investment Team are actively involved in every transaction, each investment continues to benefit from the ongoing involvement of several highly-seasoned investment professionals. In some cases, Court Square may recruit an outside board member to add specific perspectives or skills to help a portfolio company. However, Court Square is typically the lead investor and the members of Investment Team generally control the board of directors of the Court Square's portfolio companies.

Court Square typically works closely with portfolio company senior management on significant strategic, operational and organizational initiatives. The responsible members of the Investment Team are in regular contact with management, discussing the progress and challenges in achieving a company's value creation with the goal of ensuring that it is appropriately resourced. In addition to significant informal interaction, Court Square holds monthly performance reviews and frequent board meetings to review key financial and operational metrics. Court Square also executes monthly performance reviews and semi-annual investment committee updates. This continual internal review process is intended to ensure early detection of issues so that an appropriate mitigation plan can be initiated.

Risks of Investment

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. Investors should review each Fund's Private Placement Memorandum for information regarding risks specific to each Fund. In general, the risks involved with the Adviser's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. Each Fund's investment portfolio will consist primarily of securities issued by privately held 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.

Relation to Other Investment Results. The prior investment results of the Court Square investment professionals, including with respect to prior funds and investments are not indicative of a Fund's future investment results. The nature of, and risks associated with, a Fund's future investments may differ substantially from those investments and strategies undertaken historically by the Court Square investment professionals. There can be no assurance that a Fund's investments will perform as well as the past investments of the Court Square investment professionals or that a Fund will be able to avoid losses.

Competition for Suitable Investments. A Fund will compete for the acquisition of investments with other investors, some of whom will have greater resources than such Fund. Such competitors may include investment funds as well as individuals, large publicly-traded companies, financial institutions and other institutional investors. Further, over the past several years, an ever-increasing number of private investment funds have been formed (and many existing funds have grown in size). The availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense. There are no assurances that a Fund will be able to find a sufficient number of attractive opportunities to meet its investment objectives and to enable the full amount of capital committed to such Fund to be invested. Nonetheless, investors will be required to pay annual management fees based on the entire amount of their commitment to such Fund during the commitment period.

Limited Number of Investments. A Fund may invest in a limited number of companies, and as a consequence, the aggregate returns realized by investors may be substantially adversely affected by the unfavorable performance of a small number of such investments. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Nature of Investments by the Fund. An investment in a Fund should be viewed as illiquid and requires a long-term commitment with no certainty of return. There will most likely be little or no near-term cash flow available to investors in a Fund. Most of a Fund's investments will be highly illiquid, as such Fund will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "**Securities Act**") or in a private placement or other transaction exempt from registration under the Securities Act and, even if registered, such securities may never become publicly tradable. Accordingly,

there can be no assurance that a Fund will be able to realize such investments in a timely manner, and most of a Fund's investments will be difficult to value. Moreover, distributions in-kind of illiquid securities to the investors may be made. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The securities in which a Fund invests will generally be among the most junior in a company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment. In addition, a Fund may hold non-controlling interests in many of its portfolio companies, and therefore, may have a limited ability to protect its position and interests in such portfolio companies. General economic or industry-specific conditions, which are not predictable, can have a material adverse impact on such investments.

Leveraged Investments. Subject to certain limitations, a Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds invest generally will not be rated by a credit rating agency. In addition, borrowings by a Fund may be secured by the Partners' commitments as well as by such Fund's assets.

Illiquidity of Investment. Investment in the Fund requires the financial ability and willingness to accept significant risks of illiquidity. The interests in the Funds have not been registered under the Securities Act or any other applicable securities law. There is no public market for the interests in the Funds, and none is expected to develop. The interests will not be redeemable and will not be transferable without the prior consent of the General Partners. Investors may not withdraw capital from the Funds. Consequently, investors may not be able to liquidate their interests prior to the end of the terms of the Funds. In addition, because each Fund has a finite term, investments made by each Fund may not be ready to be sold or disposed of at the end of such term. As a result, there may be in-kind distributions of interests in such investments, which may be illiquid securities. Furthermore, the proceeds upon disposition of such securities could be significantly less than their fair value.

Foreign Investments. Subject to certain limitations, a Fund may invest in portfolio companies that are organized and operating outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or investors in the Funds with respect to each Fund's income, and possible non-U.S. tax return filing requirements for the Funds and/or investors in the Funds. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Reliance on Portfolio Company Management. Although the General Partners will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although Court Square generally intends 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 be able or willing to successfully operate a company in accordance with each Fund's objectives.

Risk Arising from Provision of Managerial Assistance. The investment professionals of Court Square and the Advisers may take an active role in the management of portfolio companies. The Funds will typically seek to designate investment professionals of Court Square to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Funds and their representatives to claims by a portfolio company, its security holders and its creditors. While the Advisers intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Potential Contingent Liabilities. 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 typical of those made in connection with the sale of any business 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 to the extent that any such representations turn out to be inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors of such Fund to the extent that they have received prior distributions from such Fund or to the extent that they have undrawn commitments at such time.

Financial Projections. The General Partners will generally establish the capital structures of companies in which the Funds invest on the basis of financial projections for such companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results, which 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 and industry-specific conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

Impact of Regulation. A Fund may focus, in part, on investments in the media, communication and information industries, sectors of which are regulated by the Federal Communications Commission (“FCC”) and other regulatory bodies. Many of the companies in which a Fund invests will be subject to regulation by the FCC and, in some cases, to other governmental regulation in the United States and elsewhere. The products or services of such companies are dependent upon obtaining regulatory clearances and approvals in various jurisdictions. The process of obtaining such approvals can be lengthy, expensive and uncertain, and there is no assurance that such approvals will be obtained. Failure to obtain such approvals could have a significant adverse effect on such a portfolio company’s performance or the ability of a Fund to dispose of its investments in such portfolio company at an attractive time or price.

Public Company Holdings. Subject to certain limitations, a Fund’s investment portfolio may contain securities issued by publicly-held companies. Such investments may subject a Fund 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 a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies’ board members, including the General Partners and its investment professionals, and increased costs associated with each of the aforementioned risks.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a “self reinforcing” economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which a Fund makes investments.

Market Conditions. Any material change in the economic environment, including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund’s performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007, which can impact the public market comparable earnings multiples used to value privately held portfolio companies. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund’s performance. Following the onset of the credit crisis, the rate of future investment by funds has slowed and may continue to do so as the pricing of new transactions adjusts to reflect the current economic uncertainty and the lack of credit in the markets. Holding periods are also likely to be longer as the rate of realizations slows in light of the deterioration in market conditions for initial public offerings and a decline in mergers and acquisitions activity. The

value of publicly-traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of the credit crisis may also affect a Fund's ability to raise funds to support investment objectives and also the level of profitability achieved on realizations of investments.

Conflicts of Interest

General. Investors should be aware that there will be situations where the Advisers may encounter potential conflicts of interest in connection a Fund's investment activities. Such potential conflicts of interest should be carefully considered before making an investment in a Fund. There may arise future instances where the interests of a Fund conflict with the interests of other Funds.

Other Activities of the Investment Team. Members of the Investment Team will devote such time and attention as the applicable General Partner deems necessary to carry out the operations of such Fund. However, it is expected that members of the Investment Team will provide management and advisory services to other Funds, and in such event, will be required to devote such time and commitment as may be necessary to perform such services diligently and in a professional manner. Therefore, conflicts of interest may arise in allocating time, services or functions among a Fund and other Funds.

Potential Conflicts Between Funds. Court Square will continue to own and operate the portfolio companies of Fund II and, accordingly, will have an economic interest in their performance. Additionally, until such time as Fund II GP determines that Fund II no longer has any capital available to make investments in portfolio companies (after taking into account reserves for follow-on investments and fees and expenses), Fund III is required under certain circumstances to offer 50% (but not more than Fund II's available capital after taking into account any amounts received for follow-on investments and reasonably anticipated expenses of Fund II) of all of such investment opportunity to Fund II.

It is anticipated that the portfolio companies of Fund I and Fund II will continue to make acquisitions and investments, and these activities, as well as the management of pre-existing investments, will require significant involvement by the Investment Team. It is possible that certain of the acquisitions and investments made by portfolio companies of Fund I or Fund II may compete with, or otherwise have a conflict of interest with one of the other Funds or its portfolio companies.

Court Square may continue to receive incentive compensation from any follow-on investments made by Fund I or Fund II, which will differ from such opportunities and compensation received in connection with any such investment made by Fund III. Fund III will not participate in any amounts so received by Court Square.

Relationship with Other Entities. The Advisers may manage a number of private investment funds in the future (all such entities are hereinafter referred to as the "**Other Entities**"), which may have investment objectives similar to those of a Fund. In addition, following the expiration or termination of the commitment period of a Fund, Court Square may and likely will focus its investment activities on other opportunities and areas unrelated to such

Fund's investments. Subject to any limitations in the definitive agreements relating to such Fund and the other Funds, allocation of available investment opportunities between such Fund and any other Funds will be made by the applicable Adviser in its sole discretion. The appropriate allocation between a Fund and any other Fund of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorneys' fees and the fees of other professionals, will be determined by the applicable Adviser in good faith.

Carried Interest. A General Partner's carried interest is based substantially on the performance of the applicable Fund. This arrangement could incent such General Partner to select investments that are riskier or more speculative than it would otherwise make in the absence of such performance-based compensation.

Diverse Limited Partner Group. The limited partners are expected to include U.S. taxable and tax-exempt entities and institutions from jurisdictions outside of the United States. Such limited partners may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring of the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the applicable General Partner, including with respect to the nature or structuring of investments, that may be more beneficial for one limited partner than for another limited partner, especially with respect to limited partners' individual tax situations. In addition, a Fund may make investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting and structuring investments appropriate for a Fund, the General Partner will consider the investment and tax objectives of such Fund and the Partners as a whole, rather than the investment, tax or other objectives of any limited partner individually.

By acquiring an interest in a Fund, each limited partner shall be deemed to have acknowledged the existence of any such potential conflict of interest and to have waived any claim with respect to any liability arising from the existence of such conflict of interest.

DISCIPLINARY INFORMATION

Court Square Capital and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Court Square Capital is affiliated with other Court Square investment advisers that may not be registered with the SEC under the Advisers Act pursuant to Court Square Capital's single registrant approach in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Court Square Capital and may serve as managers or general partners of the Funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Advisers have adopted the Court Square Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Court Square Managing Partners and employees and addresses conflicts that arise from personal trading. The Code requires certain Court Square personnel to report their personal securities transactions, prohibits or requires pre-clearance for Court Square personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Court Square personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Court Square Chief Compliance Officer. A copy of the Code will be provided to any limited partner or prospective limited partner upon request to Lauren M. Connelly, the Court Square Chief Compliance Officer, at 212-752-6748. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons 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 the Advisers.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers’ personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Managing Partners and employees of the Advisers and their affiliates may directly or indirectly own an interest in Private Investment Funds, including the Fund or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds.

The Funds and other Private Investment Funds may invest together with other funds advised by an affiliated adviser of Court Square Capital in the manner set forth in their Fund Agreements. The Advisers will determine the allocation of investment opportunity in a manner that it believes is fair and equitable to its clients consistent with the Advisers’ obligations and may take into consideration factors such as the following: the client’s investment restrictions and objectives (including those set forth in the relevant client’s governing documents, where applicable), investment and operating guidelines, diversification limitations, tax and regulatory considerations, minimum dollar limits and other relevant factors, including risk.

The Advisers and their affiliates, the Managing Partners and other employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for the Funds even though their investment objectives may be the same or similar.

The operative documents and investment programs of certain vehicles sponsored by Court Square (the “**Reference Funds**”) may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by limited partners (or their representatives) in such Reference Funds.

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Advisers sell publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance

analysis. As a general matter, research provided by these brokers would be used to service all of the Advisers' Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund managed by the Advisers, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund. Research services may be shared among the Advisers and their affiliates.

The Advisers do not employ any agreement or formula for the allocation of brokerage business on the basis of research services; however, the Advisers may, in their discretion, cause the Private Investment Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Advisers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Advisers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Advisers will periodically determine which brokers have provided research that has been helpful in the management of its Private Investment Funds. To the extent consistent with the Advisers' goal to obtain best execution for the Funds, the Advisers may seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Adviser allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Private Investment Funds' interest in receiving most favorable execution.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, the Advisers may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, the Advisers may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund of the Advisers is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to Private Investment Funds over time.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Court Square Capital closely monitors companies in which the Funds invest, and the Court Square Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

Each Fund will provide to each of its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

CLIENT REFERRALS AND OTHER COMPENSATION

Court Square Capital and/or its affiliates may provide certain business or consulting services to companies in each Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Fund Agreements, this compensation may, in many cases, offset a portion of the Management Fees paid by Funds. However, in other cases (e.g., reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "**Fees and Compensation**"

From time to time, the Advisers may enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential limited partner becoming a limited partner in a Fund or other Private Investment Fund. Any fees and expenses payable to any such placement agents will be borne by Court Square Capital indirectly through an offset against the Management Fee.

CUSTODY

Court Square Capital maintains custody of the Funds' assets held in each Fund's name with the following qualified custodians:

- All cash/money market accounts are held with Citibank, NA.
- All physical securities are held with Broadcort Correspondent Clearing Division of Merrill Lynch, Pierce, Fenner & Smith Inc.

INVESTMENT DISCRETION

Court Square Capital has discretionary authority to manage the investments on behalf of each Fund pursuant to the Fund Agreements and Management Agreements described under “Advisory Business.” As a general policy, the Advisers do not allow clients to place limitations on this authority. Pursuant to the terms of the Fund Agreements, however, the Advisers may enter into “side letter” arrangements with certain limited partners whereby the terms applicable to such limited partners’ investment in the Funds may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Court Square Capital assumes this non-discretionary authority pursuant to the terms of the Management Agreements and powers of attorney executed by the limited partners of Funds.

VOTING CLIENT SECURITIES

The Advisers have adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how they will vote proxies, as applicable, for each Fund’s (and any Private Investment Fund’s) portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Each of the Advisers generally believes its interests are aligned with those of Funds’ limited partners through the Managing Partners’ beneficial ownership interests in the Funds and therefore will not seek limited partner approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of the Funds’ advisory boards on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Funds’ advisory boards may approve the Adviser’s vote in a particular solicitation. The Advisers do not consider service on portfolio company boards by Court Square personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Funds. If you would like a copy of the Adviser’s complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, please contact Lauren M. Connelly, the Court Square Chief Compliance Officer, at 212-752-6748 and it will be provided to you at no charge.

FINANCIAL INFORMATION

Court Square Capital does not require prepayment of management fees six months or more in advance or have any other events requiring disclosure under this item of the Brochure.

SUPPLEMENTAL INFORMATION ABOUT CERTAIN MANAGING PARTNERS OF COURT SQUARE CAPITAL

William T. Comfort

Educational Background and Business Experience

William T. Comfort, born 1937, is a Managing Partner of Court Square Capital. Mr. Comfort co-founded Court Square Capital in 2006 and has been a member of the Investment Team since 1979. In 1973, Mr. Comfort joined Citicorp and has been Executive Director of Citicorp International Bank, Ltd. in London and Head of Corporate Finance. Mr. Comfort received his B.A. and L.L.B. from the University of Oklahoma and his L.L.M. from New York University.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Comfort.

Other Business Activities

Mr. Comfort is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Comfort does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Comfort is responsible for implementing and overseeing the investment strategy of the clients of Court Square. In this capacity, Mr. Comfort is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

David F. Thomas

Educational Background and Business Experience

David F. Thomas, born in 1949, is a Managing Partner of Court Square. Mr. Thomas cofounded Court Square Capital in 2006 and has been a member of the Investment Team since 1980. Mr. Thomas joined the Leveraged Finance Group of Citibank in 1976. He received degrees in finance and accounting from the University of Akron. Mr. Thomas is currently a director of Fibertech Networks, Harvard Drug Group, MailSouth, and Wyle. He previously served on the boards of Auto Europe Group, Aviall, Brintec, C&H Sugar, DavCo Restaurants, Devon Group, Flender, Furnishings International, Hancor Pipe, Interface Solutions, International Airmotive, MagnaChip Semiconductor, Mid-Atlantic Coca Cola, Neenah Foundry, Network

Communications, Newmarket International, Pamida Stores, People Express Airlines, Smith Alarm, Worldspan Technologies, York International and Zatarains.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Thomas.

Other Business Activities

Mr. Thomas is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Thomas does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Thomas is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. Thomas is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

Michael A. Delaney

Educational Background and Business Experience

Michael A. Delaney, born in 1954, is a Managing Partner of Court Square Capital. Mr. Delaney co-founded Court Square Capital in 2006 and has been a member of the Investment Team since 1989. Mr. Delaney joined the Citicorp Investment Bank in 1986. Prior to Citicorp, he held various corporate finance positions at General Motors, including manager of acquisitions and divestitures. He also served in the U.S. Army, retiring in 1980. He received his B.S. from Pennsylvania State University and his M.B.A. from the Wharton School of the University of Pennsylvania. Mr. Delaney is currently a director of Ancile Solutions, CompuCom Systems, CSC Encompass Holdings, LLC, Rocket Software, SPS, and Strategic Industries. He previously served on the boards of Amerisource Corporation, Arizant, ChipPAC, CORT Business Services, ERICO International, FastenTech, Great Lakes Dredge and Dock, JAC Products, MacDermid, Mosaic, nTelos Holdings, Palomar Technologies, Sybron Chemical, Triumph Group and Western Dental.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Delaney.

Other Business Activities

Mr. Delaney is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Delaney does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Delaney is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. Delaney is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

Thomas F. McWilliams

Educational Background and Business Experience

Mr. McWilliams, born in 1943, is a Managing Partner of Court Square. Mr. McWilliams co-founded Court Square Capital in 2006 and has been a member of the Investment Team since 1983. Mr. McWilliams received his A.B. from Brown University and his M.B.A. from Wharton. Mr. McWilliams is currently a director of Strategic Industries, Physiotherapy Associates and Winthrop Realty Trust. He previously served on the boards of numerous companies including Arizant, Chase Industries, Euramax, Hydro Chem Industrial Services, IWCO, Merchant Metals Holding Company, MSX International, Polar Corporation, Remy International and WCI Communities.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. McWilliams.

Other Business Activities

Mr. McWilliams is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. McWilliams does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. McWilliams is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. McWilliams is not subject to the supervision of any other

individuals other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

Joseph M. Silvestri

Educational Background and Business Experience

Joseph M. Silvestri, born in 1961, is a Managing Partner of Court Square Capital. Mr. Silvestri co-founded Court Square Capital in 2006 and has been a member of the Investment Team since 1990. Mr. Silvestri received his B.S. from Pennsylvania State University and his M.B.A. from Columbia Business School. He is a director of Auto Europe Group, MacDermid, Newmarket, PRV Aerospace and The Triumph Group. He previously served on numerous other boards including Worldspan Technologies, Euramax International, International Media Group, ISG Resources, Polyfibron Technologies and SGS International.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Silvestri.

Other Business Activities

Mr. Silvestri is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Silvestri does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Silvestri is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. Silvestri is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

Ian D. Highet

Educational Background and Business Experience

Ian D. Highet, born in 1965, is a Managing Partner of Court Square. Mr. Highet has been a member of the Investment Team since 1998 and a Managing Partner since May 2008. Previously, he was a Vice President of Corporate Development at K-III Communications Corporation; a media holding company formed by Kohlberg, Kravis, Roberts & Co. Mr. Highet received his A.B., cum laude, from Harvard College and his M.B.A. from Harvard Business School. Mr. Highet is currently a director of Auto Europe Group, CompuCom Systems and Fibertech Networks. He previously served on the boards of Express Messenger Service, F&W

Publications, NAC International, NCI, Unisa, Valor Telecommunications and Worldspan Technologies.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Highet.

Other Business Activities

Mr. Highet is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Highet does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Highet is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. Highet is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.

John D. Weber

Educational Background and Business Experience

John D. Weber, born in 1963, is a Managing Partner of Court Square. Mr. Weber has been a member of the Investment Team since 1987 and a Managing Partner since May 2008. Mr. Weber spent two years at business school and two years with Putnam Investments and rejoined the Investment Team in 1994. He received his B.S. from Stanford University and his M.B.A. from Dartmouth's Amos Tuck School of Business Administration. Mr. Weber is currently a director of Harvard Drug Group and Physiotherapy Associates. He previously served on the boards of Advanced Cast Products, Anvil Holdings, Arizant, Engraph, Freedom Forge, Furnishings International, Gerber Childrenswear, International Airmotive Holdings, Marine Optical, Neenah Foundry, Sleepmaster, Smith Alarm and Western Dental.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Weber.

Other Business Activities

Mr. Weber is not engaged in any investment-related business outside of his roles with Court Square Capital and its affiliates.

Additional Compensation

Mr. Weber does not receive any additional compensation that is required to be disclosed.

Supervision

Mr. Weber is responsible for implementing and overseeing the investment strategy of the clients of Court Square. Mr. Weber is not subject to the supervision of any other individual other than the Managing Partners of Court Square Capital and, with respect to compliance matters, the Court Square Chief Compliance Officer.