

PART 2A FORM ADV

FIRM BROCHURE

Freeman Spogli Management Co., L.P.

11100 Santa Monica Blvd., Suite 1900

Los Angeles, CA 90025

Tel: (310) 444-1822

Fax: (310) 444-1870

www.freemanspogli.com

March 2012

Here are a few important details before you begin.

This brochure provides information about the qualifications and business practices of Freeman Spogli Management Co., L.P. If you have any questions about the contents of this brochure, please contact William M. Wardlaw at (310) 444-1822. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Freeman Spogli Management Co., L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Freeman Spogli Management Co., L.P. is an investment adviser registered with the SEC. Being a “registered investor adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

THIS BROCHURE IS NOT AN OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES.

Item 2. Material Changes

As this is Freeman Spogli Management Co., L.P.'s initial brochure, a summary of material changes is not provided.

Item 3. Table of Contents

ITEM 2.	MATERIAL CHANGES	2
ITEM 3.	TABLE OF CONTENTS.....	3
ITEM 4.	ADVISORY BUSINESS	4
ITEM 5.	FEES AND COMPENSATION	5
ITEM 6.	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	7
ITEM 7.	TYPES OF CLIENTS.....	8
ITEM 8.	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
ITEM 9.	DISCIPLINARY INFORMATION.....	14
ITEM 10.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	15
ITEM 11.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	18
ITEM 12.	BROKERAGE PRACTICES.....	21
ITEM 13.	REVIEW OF ACCOUNTS	22
ITEM 14.	CLIENT REFERRALS AND OTHER COMPENSATION	23
ITEM 15.	CUSTODY	24
ITEM 16.	INVESTMENT DISCRETION	25
ITEM 17.	VOTING CLIENT SECURITIES	26
ITEM 18.	FINANCIAL INFORMATION	27
ITEM 19.	REQUIREMENTS FOR STATE-REGISTERED ADVISERS	28

Item 4. Advisory Business

A. Organization and Ownership

Freeman Spogli Management Co., L.P. (“**Freeman Spogli**” or the “**Firm**”), formerly known as Freeman Spogli & Co. VI, L.P., is a Delaware limited partnership that was organized in 2008. The owners of the Firm are Bradford M. Freeman, Ronald P. Spogli, John M. Roth, J. Frederick Simmons, Todd W. Holloran, Jon D. Ralph, Brad J. Brutocao, Benjamin D. Geiger and William M. Wardlaw.

B. Advisory Services

The Firm currently serves as the investment adviser to the following three private equity funds (the “**FS Funds**”) and their related parallel funds (the “**Parallel Funds**”), each a Delaware limited partnership (each, a “**Fund**” and together, the “**Funds**”):

- FS Equity Partners IV, L.P. (“Fund IV”) was formed to make investments primarily in equity and equity-related securities issued in corporate acquisitions of consumer-related companies in the United States. Fund IV is not accepting new investors except for transfers. The commitment period for Fund IV has expired and the Fund has entered its liquidation phase.
- FS Equity Partners V, L.P. (“Fund V”) was formed to make investments primarily in equity and equity-related securities issued in corporate acquisitions of retail, direct marketing, catalog, and distribution businesses in the United States. FS Affiliates V, L.P. (“Affiliates V”) limits its investments to only those investments in which Fund V participates. Fund V and Affiliates V are not accepting new investors except for transfers. The commitment period for Fund V and Affiliates V has expired.
- FS Equity Partners VI, L.P. (“Fund VI”) was formed to make investments primarily in equity and equity-related securities issued in corporate acquisitions of retail, distribution, direct marketing, consumer products and retail services businesses in the United States. FS Affiliates VI, L.P. (“Affiliates VI”) limits its investments to only those investments in which Fund VI participates. Fund VI and Affiliates VI are not accepting new investors except for transfers.

The Firm advises the Funds which are dedicated exclusively to investing and partnering with management in companies positioned for strong growth and equity appreciation. The Funds make investments in equity and equity-related securities issued in corporate acquisitions organized and led by the Firm. Each Fund’s primary investment focus is on middle-market companies in the retailing, direct marketing, and distribution industries in the United States. Beginning with Fund VI, the Funds will also target acquisitions of companies that provide services to retailers and certain types of consumer product companies (together with the retailing, direct marketing and distribution industries, the “**Target Sectors**”). The Firm’s management and administrative services include investigating, structuring and negotiating potential investments, monitoring the

performance of portfolio companies, and advising the Funds as to exit strategies from such portfolio investments.

The investments of the Funds are subject to certain diversification limitations set forth in their constituent documents. Generally, not more than 15% of the aggregate capital commitments of any Fund can be invested in any single portfolio company and its affiliates without the consent of the investing Fund's advisory committee. Further, the Funds are generally limited in their ability to invest outside the Target Sectors (as defined above).

In addition to the advisory services described in the preceding paragraphs, the Firm and its employees and affiliates may provide certain consulting services to portfolio companies in which the Funds have invested.

C. Tailoring of Investment Advice

The Firm provides investment management advice in accordance with the investment objectives and guidelines set forth in each Fund's constituent documents and offering memoranda, as applicable.

D. Wrap Fee Programs

The Firm does not participate in any wrap fee programs.

E. Assets Under Management

The Firm manages the assets of each Fund on a discretionary basis. As of September 30, 2011, the amount of assets held by the Funds was approximately \$1,114, 075, 702.

Item 5. Fees and Compensation

A. Management Fees

Each of the FS Funds will pay the Firm an annual management fee that is a specified percentage of either the limited partners' capital commitments or the FS Fund's invested capital (depending upon whether the Fund is still permitted to call capital from limited partners for new investment). Until the end of a FS Fund's commitment period or the closing of a subsequent fund, management fee rates are approximately 1.5% per annum of the limited partners' capital commitments to the FS Fund. Thereafter, management fee rates are typically in the range of 0.5% to 0.75% per annum of the FS Fund's invested capital. Parallel Funds do not pay management fees.

Affiliates of the Firm are also entitled to receive from each Fund carried interest distributions as further described in **Item 6** below.

The specifics of each fee arrangement are negotiated for each Fund and are fully described in the limited partnership agreement related to the specific Fund.

B. Payment of Management Fees

The general partners of the FS Funds call capital from investors not affiliated with the Firm (referred to herein as "**Unaffiliated Limited Partners**") in their respective fund for payment of management fees. Management fees are then paid by the FS Funds to the Firm. Certain fees received by the Firm or its affiliates from a FS Fund's portfolio company as further described in **Item 5.C** below will be credited as an offset of the FS Fund's management fee.

C. Other Fees

Each Fund generally bears all expenses relating to its activities (to the extent not reimbursed by a portfolio company), including any management fee, legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of their financial statements and tax returns), expenses of the advisory committee, insurance and other expenses associated with the acquisition, holding and disposition of their investments (other than ordinary overhead expenses assumed by the Firm), all third-party expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation), and other expenses as described in each Fund's limited partnership agreement.

Further, as described in **Item 10.C** and **Item 11.B** the portfolio companies in which a Fund invests may pay directors' fees, transaction fees, consulting fees, advisory fees, monitoring fees, break-up fees and other fees ("**Transaction and Monitoring Fees**") to the Firm, the general partner of the Fund or any of their respective employees in connection with the consummation, holding or disposition of a portfolio company investment or the termination of an unconsummated investment by the Fund. Any such Transaction and Monitoring Fees received by the general partner of a Fund or any of their

respective employees will be remitted to the Firm. As noted in **Item 5.B** above, in general, a percentage of such fees received by the Firm, the general partner of the Fund or any of their respective employees (after a deduction for applicable expenses) will be credited toward an offset of the management fee. The remainder will be retained by the Firm.

D. Fees Payable in Advance

Until the end of a Fund's commitment period or the closing of a subsequent Fund, the management fees are paid semi-annually (i) on each January 8, such payment to be applied to the management fee for the period from January 1 to June 30, and (ii) on each July 8, such payment to be applied to the management fee for the period from July 1 to December 31. Thereafter, for all Funds except Fund IV, the management fees are paid quarterly, in advance, on each January 1, April 1, July 1 and October 1.

In the event a Fund overpays the management fee for any period payable in advance (whether by reason of a change in the calculation of the management fee, a termination of the management fee, or otherwise), the excess payment will either be credited against the amount due for the next payment or refunded.

If the Firm is removed as the investment adviser to a Fund, the Firm will be entitled to the management fee relating to the full period, as applicable, during which it was removed, unless it was removed for malfeasance in which case the portion of the management fee for any partial period after the date of removal will be returned.

E. Compensation for the Sale of Securities

Neither the Firm nor any of its supervised persons accepts any compensation for the sale of securities or other investment products, including interests in the Funds.

Item 6. Performance-Based Fees and Side-By-Side Management

Performance-Based Profits Allocations

As noted in **Item 5.A** above, affiliates of the Firm are entitled to receive distributions of carried interest from each Fund, generally equal to 20% of the applicable profits after capital contributions have been returned to investors in the Fund, the Fund's investors have received their applicable preferred return, if any, and other requirements are met, each as further described in the applicable Fund's limited partnership agreement.

Potential Conflicts of Interest

A potential conflict of interest arises where the financial or other benefits available to an investment adviser differ among its clients. The fact that the compensation of affiliates of the Firm is based on the performance of the applicable Fund may create an incentive for the Firm to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of a performance-based carried interest distribution.

The terms of the carried interest could also give the Firm an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, the general partner of a Fund, an affiliate of the Firm, would be in a position to receive carried interest distributions earlier if profitable investments are liquidated prior to investments that are not profitable because, at the time proceeds from such profitable investments are liquidated, the general partner would not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments although the Firm would be required to take into account any write downs, as discussed below.

The carried interest also creates a potential conflict of interest for the Firm in valuing investments. For example, the general partner of a Fund, an affiliate of the Firm, will not receive a carried interest until the limited partners receive distributions equal to their share of any write downs that were not taken into account for prior distributions. This creates an incentive for the Firm to avoid writing down the value of assets that are not readily marketable or difficult to value because the general partner will be in a position to receive a higher carried interest.

Item 7. Types of Clients

Each Fund is a client of the Firm. As further described in **Item 4** above, the Firm provides investment advice to the Funds and makes investment decisions on behalf of the Funds consistent with the stated investment objectives set forth in the respective Fund constituent documents.

The Funds generally accept potential investors who are "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended (the "**Securities Act**") and "qualified purchasers" as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

All of the Funds are closed to new investors, except for transfers. The minimum initial investment in a FS Fund is generally \$10 million, subject to waiver. The minimum investment in a Parallel Fund is \$250,000, subject to waiver. The Firm (or its affiliates) is permitted to waive these minimum investment amounts at any time for any prospective investor. Generally, consultants, officers and members of the Firm and its affiliates, as well as current and former officers of portfolio companies of the Funds, are permitted to invest in the Parallel Funds, pursuant to the limitations discussed above. Additional requirements for investing in each of the Funds are stated in the offering document for such Fund.

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

For the purposes of this Item 8, the term “Freeman Spogli” shall include Freeman Spogli and its affiliates and predecessors, including, but not limited to, Freeman Spogli & Co., which has managed certain client funds since 1983.

A. Investment Strategies and Process

The investment strategies and investment process utilized by the Firm on behalf of each Fund are set forth below. Investments in the Funds are not guaranteed. The instruments in which the Funds invest may lose value. An investment in a Fund is only suitable for investors who have knowledge and expertise in financial and business matters and are capable of evaluating the merits and risks of such an investment. The acquisition of limited partnership interests in the Funds and the portfolio investments made by the Funds may involve the risk of total loss of an investor’s capital commitment.

Investment Strategies

Freeman Spogli’s investment strategy is designed to provide returns while reducing the risks associated with leveraged investing. Freeman Spogli has employed this strategy through several economic cycles and does not alter its investment strategy to time the market. Freeman Spogli’s investment strategy is characterized by the following key components:

- *Exclusive Focus on Target Sectors.* Freeman Spogli targets investments in the following sectors: retailing, direct marketing, distribution, and catalog (in the case of Fund V), and in addition to those, retail services and consumer products (in the case of Fund VI) (the “Target Sectors”). Since 1983, over 75% of the equity invested by investment vehicles sponsored by the Firm and its affiliates has been in the Target Sectors. Freeman Spogli believes that this specialized investment focus strengthens its ability to: source and create investment opportunities, generate focused attention from intermediaries, position itself to be a preferred investment partner for management and other investors, conduct more in-depth and effective due diligence, build credibility with financing partners, recruit management teams, share best practices among portfolio companies, identify operating improvements and strategic opportunities, and identify potential monetization opportunities for portfolio companies.
- *Middle Market Concentration.* Each Fund focuses on investments in the middle market, with transactions generally ranging in enterprise value from \$100 million up to \$500 million and equity investments typically ranging from \$50 million up to \$100 million in size.
- *Emphasis on Solid Businesses with Transformative Opportunities.* Freeman Spogli emphasizes creating value through long-term earnings growth rather than through using excess leverage. As a result, Freeman Spogli seeks to invest in

companies that have established defensible market positions in product, channel or geographic niches within broader industry segments.

- *Partnership with Proven Management Teams.* Freeman Spogli views the quality, depth and commitment of management teams as critical elements of its investment evaluation. Freeman Spogli seeks to partner with individuals or teams that are experienced operators open to working with an active investment partner. In addition, to ensure a proper alignment of interests, it requires the management teams of portfolio companies to make a significant personal investment in their companies.
- *Control Investor Philosophy.* Freeman Spogli typically seeks to acquire voting control of its portfolio companies to ensure the implementation of its post-acquisition strategies and to control the exit process. Freeman Spogli has held a control position in a significant percentage of the investments it has made; however, Freeman Spogli has made certain minority investments and may do so again in the future.
- *Alliances with Affiliated Industry Executives.* Freeman Spogli currently has relationships with five industry operating executives, Larry Castellani, Bill Johnson, Norman Matthews, Mark Pulido and Peter Starrett (the “Industry Executives”). The Industry Executives assist Freeman Spogli in sourcing and evaluating investment opportunities and in monitoring or managing portfolio companies. In addition, the Industry Executives work with portfolio company management on strategic planning, management recruitment, partnership opportunities, and operational improvements.
- *Active Post-Acquisition Engagement.* Freeman Spogli actively participates in the development and growth of each of its portfolio companies. Members of Freeman Spogli and the Industry Executives not only serve on the board of directors of each portfolio company, but also are in constant dialogue with management and often take the lead on strategic, acquisition and financial decisions. The members of the Firm are particularly active in the development of strategies designed to increase portfolio company value through internal and external growth.

Investment Process

Freeman Spogli has developed a consistent process to identify and consummate investments in attractive companies while also reducing the risks associated with leveraged investing. It employs a five-step approach to investing:

- *Proactive Deal Sourcing.* Freeman Spogli secures transactions in the Target Sectors through its network of business executives as well as through investment banks familiar with Freeman Spogli’s experience and expertise in these areas. Through its network, Freeman Spogli establishes relationships with management teams and owners of potential future targets. As a result, it has generated transactions outside of the traditional auction process.

- *Rigorous Due Diligence.* Freeman Spogli bases its investment decisions on extensive due diligence reviews. Before completing any investment, Freeman Spogli conducts a due diligence investigation led by at least two partners. Due diligence also generally includes proprietary customer and vendor research studies performed by unaffiliated consulting firms. Freeman Spogli may engage the services of industry executives and outside experts and consultants to supplement its research as it deems appropriate.
- *Prudent Transaction Structuring.* Freeman Spogli seeks to structure its investments with a strong equity base to accommodate internal expansion plans and to provide flexibility to take advantage of other opportunities, such as add-on acquisitions.
- *Post-Acquisition Value Creation.* Freeman Spogli seeks to increase the value of its portfolio companies through both internal and external growth. Members of Freeman Spogli and the Industry Executives serve on the board of directors of each portfolio company and are actively involved in key strategic decisions of the portfolio companies. In addition, Freeman Spogli assists its portfolio companies with the identification and pursuit of add-on acquisitions, the review of financing relationships, the recruitment of additional management personnel and the establishment of creative incentive-based compensation plans.
- *Monetization.* Freeman Spogli monetizes investments through several different exit methods including sales to strategic and financial buyers, initial public offerings, secondary trades and dividends. Freeman Spogli takes an opportunistic approach to realizing an investment. Decisions regarding exit timing and methodology are based primarily on expectations regarding a portfolio company's future operations and general conditions in the capital markets. The Firm typically anticipates a four- to seven-year holding period for its investments.

B. Investments and Risk

The investment strategies employed by Freeman Spogli on behalf of its Funds involve significant risk of loss. Following is a description of various investment risks that could affect the Funds. Investors should note that the following does not summarize all of the risks that apply to an investment in a Fund, and should carefully read such Fund's private placement memorandum before making any decision to invest.

No Assurance of Investment Returns. The past performance of the Funds is not necessarily indicative of future results. The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure, and, therefore, subject to the greatest risk of loss. On any given investment, loss of principal is possible.

Concentration of Investments in Target Sectors; Limited Number of Investments. The Funds participate in a limited number of investments and, as a consequence, the aggregate return for such Funds may be disproportionately affected by the performance of a single investment. In addition, concentration of a client's investments in the Target

Sectors may involve greater risks than those associated with diversified private equity funds. For example, portfolio companies will be subject to risks related to their individual circumstances, as well as those posed by general economic, market and regulatory developments. Furthermore, to the extent that the capital raised by a Freeman Spogli client is less than the targeted amount, the client may invest in fewer portfolio companies and thus be less diversified.

Competitive Nature of the Firm's Business. It is possible that a client's capital commitment will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty.

Lack of Liquidity of Investments. Investments by the Funds should be deemed illiquid. The return of capital and realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is likely that this will not occur for a number of years after the initial investment. Prior to such time, there typically will be no current return on investments. In addition, there will be no readily available market for a substantial number of a client's investments, and, hence, most investments will be difficult to value. Certain investments may be distributed in-kind.

Board Participation. As discussed in Item 8.A above, certain Freeman Spogli investment professionals will serve as directors of each of the portfolio companies, and, as such, may have duties to persons other than the investing FS Fund and Parallel Fund, as applicable. Although holding board positions may be important to the Fund's investment strategy and may enhance the ability of the Firm to manage the investment, director seats may also have the effect of impairing the Firm's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the Firm to claims that they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. Generally, each Fund will indemnify its general partner and the Firm from such claims.

Control Person Liability. Each Fund may have controlling interests in a number of portfolio companies. The exercise of control over a portfolio company may impose additional risks of liability for product defects, pension and other fringe benefits, failure to supervise management, violation of laws (including securities laws), and governmental regulation, and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the affected Fund, as applicable, might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of the controlling Fund to claims by such portfolio company, its security holders, and its creditors.

Non-Controlling Investments. The Funds may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect their positions, and by extension, the position of a Fund, in such portfolio companies. Although where practicable and appropriate, the investing Fund generally will seek shareholder rights to protect its interests.

Bridge Financing. From time to time, Funds may provide interim financing (“Bridge Financing”) to facilitate a portfolio investment. During the initial one-year period that any Bridge Financing is outstanding, such Bridge Financing will be treated as a short-term investment and will not be subject to preferred return or carried interest provisions outlined in the constituent documents of the applicable Fund. To the extent that a Bridge Financing is not refinanced, sold or otherwise repaid within such one-year period, the Bridge Financing will be treated as a permanent investment in the portfolio company.

Litigation. The investment activities of the Funds, particularly with respect to their relationships with portfolio companies (including participation on boards of directors), will subject the Funds to the risk of becoming involved in litigation brought by portfolio companies, their stockholders, their creditors and others. Generally, each Fund would bear the expense of defending against claims by such parties and paying amounts necessary to satisfy any settlements or judgments. In addition, the partnership agreements of the Funds require that each Fund indemnify its respective general partner and advisory committee members as well as their respective affiliated entities and personnel, with respect to liabilities incurred in connection with such Fund’s affairs. These liabilities could be material and have an adverse effect on the applicable Fund’s investment performance. The assets of the Funds, including any investments made by the Funds and any capital held by any Fund, are available to satisfy all liabilities and other obligations of each Fund. If an Fund becomes subject to liability, parties seeking to have the liability satisfied may have recourse to such Fund’s assets generally and may not be limited to any particular asset, such as the investment giving rise to a liability.

C. Risks Associated with Particular Types of Securities

The material risks generally involved in investments in such securities are discussed more fully in paragraph B of Item 8 above.

Item 9. Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10. Other Financial Industry Activities and Affiliations

A. Affiliated Broker-Dealers

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Affiliated Commodity Advisors

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Other Affiliations and Conflicts of Interest

The Funds' General Partners. As discussed in **Item 6** above, various affiliates of the Firm serve as a general partner to each Fund and are entitled to receive performance-based carried interest distributions from the applicable Fund. In addition, as discussed in **Item 5.C** such general partner or its employees may receive Transaction and Monitoring Fees. The payment of Transaction and Monitoring Fees may create a conflict of interest, as the Firm may be incented to cause a portfolio company to increase such fees. Any such Transaction and Monitoring Fees received by the general partner of a Fund or any of their respective employees are required to be immediately remitted to the Firm. A percentage of such Transaction and Monitoring Fees are used to offset each Fund's management fee.

Parallel Funds, Alternative Investment Vehicles and Co-Investment Vehicles. The Firm has organized the Parallel Funds which have similar investment policies as the FS Funds. To the extent that any such Parallel Fund participates in the investments made by an FS Fund, such Parallel Fund and the FS Fund will co-invest pro rata on the basis of available capital for each and, generally, on the same terms and conditions. The Firm may organize additional parallel funds with similar investment policies as a particular FS Fund in the future.

The Firm may also form alternative investment vehicles for a Fund making certain investments on behalf of one or more investors in such Fund and co-investment vehicles for the purpose of making certain co-investments with a Fund. The Firm may offer investment opportunities to alternative investment vehicles and co-investment vehicles on a case by case basis, generally on the same terms and conditions applicable to the Fund, and subject to the terms and conditions of the limited partnership agreement and management agreement related to the specific Fund.

For these reasons, the Firm does not believe that the activities of the Parallel Funds, any alternative investment vehicles or co-investment vehicles will conflict with the activities of the Firm.

Conflicts of Interest Among the Funds

The Firm believes that the investment policies, fee arrangements and other circumstances of each of the Funds have been structured such that situations in which the Firm and its affiliates have an economic incentive to make a decision that favors one Fund over the other Funds have been minimized. However situations could arise whereby the Firm or its affiliates have an economic incentive to make a decision that favors one Fund above the other Funds.

For example, allocation of available investment opportunities among the Funds could give rise to conflicts of interest. In addition, the Firm may in the future establish one or more additional funds with investment objectives substantially similar to, or different from, those of an existing Fund. The Firm recognizes that it must allocate such investment opportunities in a manner that is fair to each of the Funds, in light of the facts and circumstances of each situation. Such allocation procedures may take into account the amount of capital that a Fund has available to make the investment as well as the relative size of each Fund. The Firm has adopted the following general procedures to reduce potential conflicts of interests between its various Funds.

In order to mitigate potential conflicts of interest between its various Funds, the Firm or its affiliates have established advisory committees, consisting of representatives of the investors in a Fund whom are not affiliated with the Firm. The advisory committees will meet as required to consult with the Firm as to potential conflicts of interest.

The unaffiliated investors of a Fund are expected to include persons or entities organized in various jurisdictions, which may have conflicting investment, tax and other interests in respect of their investments in the Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of portfolio investments, the purchase by the Fund of assets from a portfolio company where certain investors did not participate in the portfolio investment in such portfolio company, and the timing of disposition of investments. Such structuring of portfolio investments and other factors may result in different returns being realized by different investors in the same Fund. As a consequence, conflicts of interest may arise in connection with decisions made by the Firm, including in respect of the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially in respect of investors' individual tax situation.

Conflicts of Interest Related to Portfolio Companies Held by the Funds

The Funds may invest in portfolio companies that have competing business interests. In addition, a principal or employee of the Firm or a related person may, from time to time, serve as a director with respect to portfolio companies, the securities of which are purchased on behalf of the Funds. In the event that the Firm or a related person: (i) obtains material non-public information in such capacity with respect to a portfolio company or (ii) is subject to trading restrictions pursuant to the internal policies of the Firm or such portfolio company, the Firm may be prohibited from engaging in

transactions with respect to the securities or instruments of the affected portfolio company. Such a prohibition may have an adverse effect on the Funds.

D. Recommendation of Other Investment Advisors

The Firm does not recommend or select other investment advisers for the Funds.

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

A. Code of Ethics

The Firm has adopted a code of ethics as part of its compliance manual (the “**Manual**”) pursuant to Rule 204A-1 under the Advisers Act which imposes ethical standards and duties on the partners, members, owners, principals, directors, officers, supervisors, employees and certain other persons subject to the Firm’s control and supervision (collectively referred to herein as “**Covered Persons**”). The Manual is grounded on the principle that the Firm and Covered Persons owe a fiduciary duty to the Funds and that the interests of the Funds must always be placed above the business, financial and personal interests of the Firm and any Covered Persons.

The Manual sets forth standards of conduct expected of all Covered Persons and it requires Covered Persons to comply with applicable federal securities laws. Covered Persons are expected to be familiar with the Manual and adhere to its provisions. The Firm may address violations of the Manual by imposing sanctions it deems appropriate including, but not limited to, penalties, the disgorgement of trading gains and termination of employment. The Manual also requires any Covered Person to report potential violations of the Manual promptly to the Chief Compliance Officer. The Firm provides each employee with a copy of the Manual and any amendments thereto, and employees are required to provide a written acknowledgement that they have received the Manual, as amended from time to time. The Firm keeps records of reports and other information that Covered Persons are required to provide under the Manual.

The Manual includes policies and procedures concerning “inside information” that are designed to prevent the misuse of material, non-public information. It prohibits Covered Persons from trading for Funds or themselves, or recommending trading, in securities of a company while in possession of material, non-public information about the company, and from disclosing such information to any person not entitled to receive it. All such information must be reported to the Chief Compliance Officer, who will add the issuer to which the information pertains to a restricted list. Security transactions in issuers listed in the restricted list are prohibited without further clearance by the Chief Compliance Officer.

The Manual also addresses conflicts that could arise from personal securities trading by any Covered Persons. First, all personal securities transactions not subject to an exception, including personal transactions in initial public offerings, limited offerings and private placements, must be pre-cleared by the Chief Compliance Officer. Second, each Covered Person must submit quarterly reports containing all transactions for each of their personal securities account. Lastly, the Manual requires each Covered Person to submit to the Chief Compliance Officer at least annually a report of their securities so that they may be checked for compliance with the Manual.

The Manual is administered and enforced by the Firm's Compliance Officer. In rare instances, the Compliance Officer may grant requests for relief from those Manual provisions not mandated by the SEC.

The Firm will provide copies of the section of its compliance manual containing its code of ethics to the Funds, investors in the Funds and other prospective investors upon request, at no charge.

B. Purchases and Sales of Securities in which the Firm has Material Financial Interest

A Fund must obtain the consent of its advisory committee before (a) making any investment in which the Firm, the Fund's general partner or any other affiliate of the Firm has previously made an investment, or (b) selling any investment in which the Firm, the Fund's general partner or any other affiliate of the Firm has an interest consisting of securities that are substantially identical and have liquidity substantially equivalent to that of the investment being sold unless such interest is being sold pro rata and on substantially the same terms and at an equivalent price as the Fund's stake in such investment.

Without the consent of a Fund's advisory committee, none of the Firm, the Fund's general partner or any other affiliate of the Firm will (i) acquire or sell securities (other than securities it received as a distribution in kind from the Fund, any Parallel Fund, or any alternative investment vehicle) of any portfolio company other than through its interest in the Fund, any Parallel Fund, or any alternative investment vehicle, or (ii) borrow funds from the Fund. The prohibitions contained in this paragraph will not apply to (i) any acquisition of securities pursuant to a merger, consolidation or transaction involving a portfolio company, (ii) any acquisition of securities made pursuant to preemptive rights or similar interests granted to all or substantially all holders of the same class of securities, (iii) any acquisition of securities by or on behalf of an existing Fund or subsequent Fund made concurrently with, at the same price, and on the same terms and conditions as, the acquisition of substantially identical securities in the same portfolio company by the Fund, any Parallel Fund, or any alternative investment vehicle, so long as the costs and expenses of such transaction are equitably prorated, (iv) any sale or distribution of securities by an existing Fund or a subsequent Fund, provided that if such securities are substantially identical to and have equivalent liquidity as securities in the same portfolio company held by the Fund, any Parallel Fund, or any alternative investment vehicle, such sale or distribution must be made pro rata and substantially concurrently with, and on substantially the same terms and conditions as, the sale or distribution of the corresponding securities by such entities, (v) any sale of securities received in a distribution permitted to be made in clause (iv) above, and (vi) any acquisition of marketable securities.

As discussed in **Item 5.C** and **Item 10.C**, the Firm, a Fund's general partner or their respective employees may receive Transaction and Monitoring Fees in connection with the making of a portfolio company investment and may retain a portion of those fees. As a result, the Firm, the general partner or such employees may be considered to have a material financial interest in the consummation of the portfolio company investment. Any such Transaction and Monitoring Fees shall be turned over to the Firm.

C. Purchases and Sales of Securities by the Funds and the Firm and/or its Affiliates

Freeman Spogli does not co-invest with any of its Funds. However, Industry Executives, and Freeman Spogli's principals and affiliates may have direct and indirect investments of their own capital in the securities of portfolio companies that are recommended to the Funds. In certain instances, Industry Executives may directly invest side-by-side with the Funds for which they are not limited partners.

In addition, limited partners of such Funds may be invited by the Fund's general partner to participate individually in investments in portfolio companies, including (where appropriate) as lenders, placement agents, and purchasers of securities. However, limited partners who participate in such direct investment opportunities will assume any risk, responsibility or expense relating to their participation, and such direct investment will not entitle the limited partners to participate in the management or control of the investment.

In addition, Freeman Spogli's principals and affiliates may have an indirect interest in the securities of portfolio companies held by the Funds because of carried interest. As discussed in **Item 6** above, the existence of carried interest from the Funds may give rise to certain conflicts of interest that might not exist in the absence of such performance-based compensation.

The Parallel Funds invest proportionately alongside their respective principal funds in all transactions. Investors in the Parallel Funds may include Covered Persons and their friends and family, as well as entities controlled by, or established for the benefit of, Covered Persons and their friends and family.

D. Purchases and Sales of Securities by the Funds and the Firm and/or its Affiliates at the Same Time

See Item 11.C.

Item 12. Brokerage Practices

The Firm currently does not select or recommend broker-dealers for client transactions, pay commissions to effect portfolio transactions, or engage in soft dollar arrangements. The Firm's investment strategy does not typically present the opportunity to aggregate the purchase or sale of securities for various client accounts.

Item 13. Review of Accounts

A. Account Review

Members of the Firm monitor, and gather information with respect to the Funds on a periodic basis. In addition, the Firm reviews and conducts valuations of all Funds on a quarterly basis. A member of the deal team responsible for each portfolio investment will gather and review information regarding the investment, develop a valuation for such investment, and submit the valuation and supporting materials to members of the Firm, which shall, in turn, review the valuation and supporting materials before submitting such materials to the advisory committee of the applicable Fund for review and approval. On an annual basis, a third party accountant will conduct an audit of each Fund and, in connection therewith, will review any internally-developed valuation for the portfolio investments of such Fund.

B. Factors that Trigger an Account Review

Not applicable.

C. Account Statements

Investors in the Funds receive quarterly unaudited financial statements, an annual report and annual audited financial statements. Moreover, investors in the Funds may receive certain additional information upon request, as set forth in the applicable Fund's limited partnership agreement.

Item 14. Client Referrals and Other Compensation

A. Benefits from Others for Providing Investment Advice

The Firm does not receive any economic benefits from non-clients for providing investment advice or other advisory services to the Funds.

B. Client Referrals

The Firm has entered into contractual agreements with several organizations (hereafter referred to as “agents”) that have solicited investors for certain of the Funds. While the specific terms of each arrangement may differ, generally an agent's compensation is based upon the capital commitments made by the referred investors to the Funds. Any sales charge associated therewith will ultimately be payable by the Firm or its affiliates, either directly or through an offset of the management fee payable by the relevant Fund.

Item 15. Custody

The Firm is considered to have custody of certain of the assets of the Funds. The Funds' qualified custodian is Merrill Lynch, Pierce, Fenner & Smith Incorporated. All of the Funds' certificated investment securities are held by the qualified custodian on behalf of the Funds. The Firm does not use the qualified custodian to send quarterly account statements directly to the investors in the Funds. The Firm does require each Fund to distribute their annual audited financial statements to their investors within 90 days of the Fund's fiscal year-end.

Item 16. Investment Discretion

The Firm has discretionary authority to manage securities accounts on behalf of each Fund, subject to the investment objectives, strategies and policies set forth in the applicable Fund's limited partnership agreement.

Item 17. Voting Client Securities

The Firm and its affiliates have authority to vote proxies on behalf of the Funds and, in accordance with Rule 206(4)-6 of the Advisers Act, has adopted policy and procedures to address how the Firm will vote proxies on behalf of each client. The Firm will consider each proxy issue individually and will exercise its best judgment as a fiduciary to vote all proxies in the best interests of the Funds pursuant to the goals of a Fund's investment strategy. The Firm may abstain from voting or decide not to vote if the Firm determines that abstaining or not voting is in the best interests of the applicable Fund(s).

The Firm may be subject to material conflicts of interest in the voting of proxies due to business or personal relationships it maintains with persons having an interest in the outcome of certain votes. The Firm and/or its employees may also occasionally have business or personal relationships with the proponents of proxy proposals, participants in proxy contests, corporate directors and officers, or candidates for directorships. In the event a material conflict of interest is identified, the Chief Compliance Officer or designee shall take such actions as he or she deems necessary to determine how to vote the proxy in the best interests of the Funds. Depending upon the specific facts and circumstances associated with a given proxy, such actions may include consulting with: (1) legal counsel, (2) a proxy consultant, or (3) deal team members. After such consultation, the Chief Compliance Officer or designee shall review the votes in advance to ensure that the Firm's proposed vote is not prompted by any conflict of interest. In accordance with Rule 204-2, the Firm will document the basis for its voting decisions.

A copy of the proxy voting policy and procedures is available to investors in the Funds upon request. Further, upon request, investors will be provided with a record of how proxies have been voted.

Item 18. Financial Information

A. Prepayment of Fees

The Firm does not require or solicit prepayment of any fees from the Funds six months or more in advance.

B. Financial Impairment

As of the date of this brochure, the Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds.

B. Bankruptcy Petition

The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

Not applicable.