

INVESTMENT ADVISER BROCHURE

BRUCKMANN, ROSSER, SHERRILL & CO. MANAGEMENT, L.P.

**126 East 56th Street
New York, NY 10022**

www.brs.com

March 31, 2014

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Bruckmann, Rosser, Sherrill & Co. Management, L.P., a Delaware limited partnership (“BRS Management”). If you have any questions about the contents of this Brochure, please contact us at 212-521-3700. 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.

BRS Management 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 BRS Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This Brochure has been revised since the version dated March 28, 2013 to: (a) update the amount of client assets managed by BRS Management; (b) reflect certain clarifications relating to the fees and expenses of the Funds; and (c) reflect the appointment of Duwain Robinson, as the BRS Chief Compliance Officer.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	ii
Advisory Business	1
Fees and Compensation.....	2
Performance-Based Fees and Side-By-Side Management	4
Types of Clients.....	4
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Disciplinary Information.....	10
Other Financial Industry Activities and Affiliations.....	10
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Brokerage Practices	12
Review of Accounts	14
Client Referrals and Other Compensation.....	14
Custody	14
Investment Discretion	14
Voting Client Securities.....	15
Financial Information.....	15
Supplemental Information About Certain Managing Partners of BRS Management.....	16

ADVISORY BUSINESS

Bruckmann, Rosser, Sherrill & Co. is a private investment management firm, including registered investment advisory entities and other affiliated organizations affiliated with Bruckmann, Rosser, Sherrill & Co. Management, L.P., a Delaware limited partnership (“**BRS Management**” and, together with such affiliated organizations, collectively, “**BRS**”), that manages approximately \$446 million in private fund assets.

BRS Management is a registered investment adviser that commenced operations in August 2007. BRS Management and, as more fully described below, its affiliated investment advisers provide investment advisory services to the following private investment funds: Bruckmann, Rosser, Sherrill & Co. II, L.P., a Delaware limited partnership (“**Fund II**”), Bruckmann, Rosser, Sherrill & Co. III, L.P., a Delaware limited partnership (“**Fund III**”) and BRS Coinvestor III, L.P., a Delaware limited partnership (“**Coinvest III**”, and together with Fund II and Fund III, each a “**Fund**” and collectively, the “**Funds**”, and the Funds, together with any future private investment fund managed by BRS Management, the “**Private Investment Funds**”).

The Funds and any other Private Investment Funds are private equity funds and invest through negotiated transactions in operating entities. BRS Management’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 (each a “**Limited Partnership Agreement**”). The senior principals or other personnel of BRS Management or its affiliates typically serve on the portfolio companies’ respective boards of directors or otherwise act to influence control over the management of a Fund’s portfolio companies. The Fund II commitment period has expired. Fund II is no longer investing or making follow-on investments and is in the process of selling its existing investments. The Fund III commitment period has not expired. Fund III intends to make additional new investments and follow-on investments.

BRS Management’s advisory services for the Private Investment Funds are further detailed in the applicable private placement memorandum and the supplements thereto (each, a “**Private Placement Memorandum**” and, collectively, the “Private Placement Memoranda”) and the Limited Partnership Agreements of the Funds 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 Fund II and Fund III related investment advisers affiliated with BRS Management are comprised of the following:

BRSE, L.L.C. (“**Fund II GP**”), Bruckmann, Rosser, Sherrill & Co., L.L.C. (“**Fund II Manager**” or “**BRS LLC**”), BRS GP III, L.P. (“**Fund III GP**”), BRS Coinvestor GP III, L.L.C. (“**Coinvest III GP**”, and together with Fund II GP and Fund III GP, the “**General Partners**”), BRS Management III, L.P. (“**Manager III**”, and together with the General Partners and Fund II

Manager, the “**Affiliated Advisers**” and the Affiliated Advisers together with BRS Management, the “**Advisers**”).

Fund II GP, a Delaware limited partnership, is the general partner of Fund II and has delegated the management of the business and affairs of Fund II to BRS LLC, which in turn has delegated such management to BRS Management. Fund III GP, a Delaware limited partnership, is the general partner of Fund III and has delegated the management of the business and affairs of Fund III to Manager III, which in turn has delegated such management to BRS Management. Coinvest III GP, a Delaware limited partnership, is the general partner of Coinvest III. In its capacity as the investment manager of the Funds (other than BRS Coinvest III), either directly or indirectly through one or more of its affiliates, BRS Management has the authority to manage business and affairs of such Funds.

As of December 31, 2013, BRS Management managed \$ 446.0 million in client assets on a discretionary basis. BRS Management is controlled by its general partner, BRS LLC, which is controlled by Bruce C. Bruckmann, Stephen C. Sherrill and Thomas J. Baldwin (the “**Managing Partners**”). The Managing Partners are the principal owners of BRS Management. Bruce C. Bruckmann, Stephen C. Sherrill and Harold O. Rosser are the principal owners of BRS LLC. Manager III is controlled by its general partner, Bruckmann, Rosser, Sherrill & Co. III, L.L.C. (“**Fund III UGP**”), which is controlled by the Managing Partners. The Managing Partners are (directly or indirectly) the principal owners of Manager III. The Managing Partners are the principal owners of Fund III UGP.

Each Adviser is registered under the Advisers Act pursuant to BRS Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each Adviser, which operates as a single advisory business together with BRS Management.

FEES AND COMPENSATION

BRS Management receives a management fee (“**Management Fee**”) paid by Fund III in connection with advisory services it provides. BRS Management receives additional compensation in connection with management and other services performed for portfolio companies of Fund II and Fund III and such additional compensation will offset in whole or in part the Management Fee otherwise payable by the Funds. Limited partners in the Funds also bear certain fund expenses.

Management Fees

Fund II

Fund II no longer pays any Management Fee.

Fund III

Unless waived by Manager III, Fund III pays a Management Fee in advance on a semi-annual basis for the semi-annual period commencing on January 1 and July 1 of each year, payable on March 30 and September 30 of each such year, in arrears with respect to the first

ninety days of the period and in advance for the remainder of such period. During the Fund III commitment period, the Management Fee is equal to 2% per annum of the partners' aggregate capital commitments. Effective at the end of the commitment period and running through the final distribution of Fund III's assets, the Management Fee will be 1.75% per annum of the aggregate amount of capital contributions for investments with respect to portfolio company investments that have not been disposed of or completely written-off for U.S. federal income tax purposes. Payments of the Management Fee will reduce unfunded commitments.

The Management Fee payable by Fund III to BRS Management will be reduced by (i) 100% of any private placement agent fees paid by Fund III, (ii) organizational expenses in excess of \$1.5 million and (iii) 80% of all Portfolio Company Fees (as defined below) received by BRS Management ("**Offset Fees**"). All Offset Fees received by BRS Management will reduce the Management Fee for the semi-annual period immediately following the Fund's semi-annual period of receipt and, if the amount of such Offset Fees exceeds the Management Fee for such semi-annual period, each subsequent semi-annual period. "**Portfolio Company Fees**" means closing fees, commitment fees, monitoring fees, director's fees, break-up fees, consulting fees, managing fees or any other similar fees received by BRS Management from a portfolio company or a prospective portfolio company of Fund III.

Manager III reserves the right to waive all or a portion of any installment of the Management Fee. Any waived portion of a Management Fee installment shall (i) reduce later capital contributions of Manager III, in its capacity as a limited partner, to Fund III and (ii) correspondingly, increase later capital contributions of the other limited partners to Fund III. Waived or reduced Management Fees are not subject to the Management Fee offsets described below. Due to waived or reduced Management Fees by Manager III and/or timing of receipt of compensation subject to offsets (as described below), it is possible that Management Fee offsets will not be fully realized by investors in Fund III, resulting in a net additional benefit to Manager III or BRS Management.

Fund III will also pay (or reimburse Manager III) for certain out-of-pocket organizational expenses (excluding placement agent fees) incurred in connection with the organization and funding of Fund III, Fund III GP and Manager III. Manager III will bear responsibility for such organizational expenses in excess of \$1.5 million through an offset against the applicable Management Fee (as described above). Any placement agent fees will be paid by Fund III but applied as an offset against the applicable Management Fee as described above.

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

Coinvest III

Coinvest III is not subject to a Management Fee.

Other Information

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 Limited Partnership Agreements over the term of the Funds (or the relevant

Private Investment Funds, as applicable) and limited partners are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Funds, as applicable).

In addition to the Management Fee and Carried Interest (as defined below), the Funds bear certain expenses. As set forth in their Limited Partnership Agreements, the Funds 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. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices." As set forth in their Limited Partnership Agreements, certain Funds may also bear certain costs, expenses, liabilities and obligations relating to transactions that are not consummated (including, without limitation, legal, accounting, auditing, insurance, travel, consulting, finders', financing, appraisal, filing, printing, real estate title and other fees and expenses) ("**Broken Deal Expenses**"). Certain co-investors' participation may be confirmed, in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, and where, in connection with such proposed transaction, no other co-investors' participation had previously been confirmed, the full amount of any Broken Deal Expenses relating to any such proposed transaction (subject to any applicable limitations in the relevant Limited Partnership Agreement) would therefore be borne by the Funds that BRS had identified to invest in such proposed transaction.

BRS and/or its affiliates generally have discretion over whether to charge transaction fees to a portfolio company and, if so, the fee rate or amount. The receipt of transaction fees may give rise to conflicts of interest between the Private Investment Funds, on the one hand, and BRS and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

BRS Management does not receive a carried interest allocation ("**Carried Interest**") for its advisory services to the Funds. Rather, each of Fund II GP and Fund III GP receive a Carried Interest equal to 20% of aggregate realized profits from each of Fund II and Fund III, respectively, in each case if and only if the gains of the third party Limited Partners exceed an 8% compounded internal rate of return, subject to a General Partner catch-up as more fully described in the applicable Fund's Limited Partnership 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% of such Fund's cumulative net profits, then such excess Carried Interest distributions will be subject to repayment by such General Partner in accordance with the applicable Limited Partnership Agreement. Except for Coinvest III, the Advisers do not advise Private Investment Funds not subject to a Carried Interest.

TYPES OF CLIENTS

BRS Management 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, principals or other employees of BRS Management and its affiliates.

The Funds are closed to new investors subscribing for new interests. The Funds generally had a minimum investment amount of \$1 million, although the General Partners accepted smaller participations. Fund II and Fund III interests were offered, on occasion, 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 BRS personnel).

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

The Advisers provide investment advisory services to the Funds, as applicable, and share common owners and personnel. Accordingly, the Advisers’ investment methodology is described below.

BRS Management typically seeks to create a diversified portfolio for its Private Investment Funds consisting primarily of control investments in U.S. consumer (and consumer-related) goods and services businesses (or suppliers of those businesses) with enterprise values of between \$50 million and \$250 million.

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

Target Market

BRS Management believes its target market is attractive for potential acquisitions because of its consistent volume of acquisition opportunities, the Managing Partners’ relevant investment experience, and the potential for businesses in the target market to grow earnings and generate returns across and financial cycles.

Large Volume of Acquisition Opportunities. BRS Management believes that its target market provides opportunities to achieve investment returns over time due to:

- what BRS Management perceives as a steady flow of businesses for sale, including family businesses, portfolio companies of private equity funds, divisions of larger companies and small public companies.
- what BRS Management perceives as a large universe of businesses that are large enough to be proven enterprises with a sustainable market position and a full management team, yet still have, in BRS Management’s opinion, significant growth opportunities.

BRS Management Experience. BRS Management believes it is structured to succeed in its target market by reason of the relevant investment experience of the Managing Partners and their involvement in each BRS transaction.

BRS Management believes that its experience in the consumer sector gives it an appreciation for the factors that are critical to consumer businesses (*e.g.*, same-store sales growth, return on invested capital, scalability, concept appeal, restaurant management). In addition, BRS Management believes that the Managing Partners' experience has built a network of contacts and relationships that help to source investments and may add value both during due diligence and post-investment.

BRS Management believes that by investing in businesses that generate earnings growth, BRS Management will be able to produce returns over time that are not dependent upon the availability of favorable financial market conditions.

Differentiated Business Model

BRS Management believes that it employs a business model structured to address the particular requirements of creating and managing a diversified portfolio of control investments in lower middle-market companies. Each portfolio company and each targeted acquisition receives the benefit of the involvement of one of the Managing Partners.

Role of the Managing Partners. The senior leadership of the firm is shared among experienced individuals, all of whom remain dedicated to active involvement in the investment process on a deal-by-deal basis.

Each of the Managing Partners participates equally in all investment decisions. Each of the Managing Partners has made a significant personal financial commitment to BRS Management.

BRS Management Investment Process.

- *Investment approval process* – Every investment by a Fund requires approval by the investment committee. Because the acquisition process typically lasts months, the Managing Partners typically review each transaction at several stages over the course of the acquisition process (*e.g.*, initial introduction, indication of interest, final proposal, binding contract, final closing). At each stage, analytical support is provided to the Managing Partners by BRS Management's professional staff.
- *Transaction structuring* – The Managing Partners make all decisions regarding the fundamental aspects of transaction structuring, including: (1) resolution of key issues in the acquisition agreement (*e.g.*, price, form of consideration and recourse against the seller with respect to issues of concern which are uncovered through due diligence); (2) determination of the appropriate capital structure used to finance the acquisition and selection of the financing sources; (3) determination of the appropriate transaction structures; and (4) structuring appropriate, tax-efficient equity participation in the transaction for management and the seller, as appropriate. BRS Management believes that investment returns can be enhanced with proper attention to transaction structuring

and financial engineering, but these are secondary to the quality of the acquired business and its management.

- *Value-added portfolio company oversight* – In almost all situations, at least one Managing Partner sits on the board of directors or similar governing body of, and bears overall responsibility for, each portfolio investment. The responsible Managing Partner works with management to establish fundamental business strategy, approve annual plans, undertake refinancing and acquisition opportunities, and make appropriate changes in the management team.

The Managing Partners have obtained assistance in portfolio company oversight and management from the network of operating managers with whom the Managing Partners have built relationships over their years of private equity investing. These managers have joined many of the boards of directors of BRS Management portfolio companies and have, in BRS Management's opinion, meaningful operating roles in those companies.

- *Realization strategy and timing* – The Managing Partners are responsible with respect to each portfolio company for determining the strategy for realizing a return upon investment in a manner which, in BRS Management's opinion, will generate both a superior IRR and a superior multiple of capital invested. To accomplish this balance, the Managing Partners must make determinations as to the future earnings growth of each business, the potential for additional growth in value at any given point in time, market conditions for achieving liquidity, the potential for a recapitalization which will allow a partial realization without complete sale of a business, the prospects for sale of a business and the prospects for an IPO for a business, in which case additional decisions need to be made as to the timing of the sale of securities in the IPO or in subsequent offerings.

With respect to recapitalizations and partial realizations, the Managing Partners have experience using the capital markets to obtain a distribution for investors while maintaining equity upside.

Role of BRS Management Professionals. BRS Management believes that the ability of the Managing Partners to perform their functions is supported by the BRS Management professional team's ability to: (1) stay informed about and bring to the attention of the Managing Partners businesses that are for sale; (2) accumulate and synthesize for the Managing Partners the business, financial and other due diligence relevant to acquisition opportunities; (3) execute deals (including arrangement of all financing and negotiation of acquisition documentation); (4) perform portfolio company oversight; and (5) assist in execution of financings, acquisitions and other activity of portfolio companies, including execution of sales and other realization events.

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 Memoranda 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. The Funds' investment portfolios will consist primarily of securities issued by highly leveraged, 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.

Future and Past Performance. The performance of the Managing Partners' prior investments is not necessarily indicative of the Funds' future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rates of return will be achieved. On any given investment, or for any and each Fund, loss of principal is possible.

Investment in Junior Securities. The securities in which the Funds invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings may substantially affect aggregate returns.

Lack of Sufficient Investment Opportunities. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to pay annual management fees during the commitment period based on the entire amount of their Commitments.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments, if any, are realized. The return of capital and the 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 not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual management fee payable to any of the Advisors) may exceed its income, thereby requiring that the difference be paid from the Fund's capital.

Leveraged Investments. A Fund will generally make use of leverage by causing its portfolio companies to incur debt to finance a portion of their purchase or recapitalization. Leverage generally magnifies both the Fund's opportunities for gain, if any, and its risk of loss from a particular investment.

Limited Transferability of Partnership Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will initially be no readily available market for the Fund's investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in-kind to the Partners.

Projections. Projected operating results of a company in which a Fund invests normally will be based on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

Non-U.S. Investments. A Fund may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk 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 such Fund), the application of complex U.S. and foreign tax rules to cross-border investments, possible imposition of foreign taxes on such Fund and/or the Partners with respect to the Fund's income, and possible foreign tax return filing requirements for the Fund and/or the Partners.

Significant Default Penalties. The Limited Partnership Agreements provide for significant penalties and other adverse consequences to a limited partner in the event that a limited partner defaults on its Commitment or other payment obligations. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in such Fund for an amount that is less than the fair-market value of such interest.

General Partner's Carried Interest. The fact that a General Partner's carried interest is based on a percentage of net profits, and that such carried interest may be payable only after a preferred return has been paid to limited partners, may create an incentive for a General Partner to cause a Fund to make riskier or more-speculative investments than would otherwise be the case.

Public Company Holdings. A Fund's investment portfolio may contain securities issued by publicly-held companies. Such investments may subject the 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 the Partnership to

dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the Managing Partners, and increased costs associated with each of the aforementioned risks.

Director Liability. A Fund will generally obtain the right to appoint a representative to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. The insurance that portfolio companies and the Fund do obtain may be insufficient to adequately protect officers and directors from such liability.

Tax Issues. The U.S. federal, state and local income taxation of partnerships is extremely complex, raising, among other things, significant issues as to the character and timing of realization of gains and losses. In particular, a Partner may be allocated a portion of taxable income of a Fund without regard to actual cash distributions. Accordingly, such Partner's tax liability could exceed the cash distributions to it in any tax year. Prospective investors are urged to consult their tax advisors concerning their specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes.

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, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which a Fund makes investments.

Conflicts of Interest

During the commitment period of each Fund, all appropriate investment opportunities will be pursued by the Managing Partners through the respective Fund, subject to certain limited exceptions. Following the commitment period of a Fund, the Managing Partners may focus their investment activities on other opportunities and areas unrelated to the Fund's investments.

DISCIPLINARY INFORMATION

BRS Management 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

BRS Management is affiliated with other BRS investment advisers registered with the SEC under the Advisers Act pursuant to BRS's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with BRS and serve as managers or general partners of private investment 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 BRS Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of BRS principals and employees and addresses conflicts that arise from personal trading. The Code requires certain BRS personnel to report their personal securities transactions, prohibits or requires pre-clearance for BRS personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits BRS personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the BRS Chief Compliance Officer. A copy of the Code will be provided to any limited partner or prospective limited partner upon request to Duwain Robinson, the BRS Chief Compliance Officer, at (212) 521-3700. 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 Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more portfolio companies in which one or more other Private Investment Funds have invested.

The Funds may invest together with other Private Investment Funds advised by an affiliated adviser of BRS Management in the manner set forth in their Limited Partnership Agreements. To the extent the Advisers have discretion in allocating such investments among such Funds and such Private Investment Funds, 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, principals and 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 BRS (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 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, BRS Management closely monitors companies in which the Funds invest, and the BRS 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

BRS Management 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 Funds' Limited Partnership Agreements, this compensation may offset a portion of the Management Fees paid by Funds.

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 BRS Management indirectly through an offset against the Management Fee.

CUSTODY

BRS Management maintains custody of the Funds' assets held in each Fund's name with the following qualified custodian: JPMorgan Chase Bank NA.

INVESTMENT DISCRETION

BRS Management has discretionary authority to manage the investments on behalf of each Fund pursuant to the Limited Partnership 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 Limited Partnership 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 BRS Management assumes this non-discretionary authority pursuant to the terms of the Limited Partnership Agreements.

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 principals’ 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 BRS 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 Duwain Robinson, the BRS Chief Compliance Officer, at (212) 521-3700 and it will be provided to you at no charge.

FINANCIAL INFORMATION

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

SUPPLEMENTAL INFORMATION ABOUT CERTAIN MANAGING PARTNERS OF BRS MANAGEMENT

Bruce C. Bruckmann

Educational Background and Business Experience

Bruce C. Bruckmann, born 1953, co-founded BRS and serves as a Managing Partner and Managing Director. Previously, Mr. Bruckmann spent 11 years at CVC as an officer. Prior to joining CVC, Mr. Bruckmann was an associate at the New York law firm of Patterson, Belknap, Webb & Tyler. Mr. Bruckmann received his AB from Harvard College and his JD from Harvard Law School. Mr. Bruckmann currently serves as a director of Mohawk Industries, Inc., Town Sports International, Inc., MWI Veterinary Supply, Inc., H&E Equipment Services, Inc., DTLR, Inc., Heritage-Crystal Clean, Inc. and Magpul Industries Corp.

Disciplinary History

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

Other Business Activities

Mr. Bruckmann is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

Additional Compensation

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

Supervision

As a Managing Director of BRS, Mr. Bruckmann is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Bruckmann is not subject to the supervision of any other individual.

Stephen C. Sherrill

Educational Background and Business Experience

Stephen C. Sherrill, born 1953, co-founded BRS and serves as a Managing Partner and a Managing Director. Previously, Mr. Sherrill spent 11 years at CVC as an officer. Prior to joining CVC, Mr. Sherrill was an associate at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Sherrill received his BA at Yale University and his JD at Columbia Law School. Mr. Sherrill is Chairman of the Board of Directors of B&G Foods, Inc. and is a director of Airxcel Holdings, Inc., Royal Robbins, Inc. and Gamo Outdoor, SL.

Disciplinary History

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

Other Business Activities

Mr. Sherrill is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

Additional Compensation

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

Supervision

As a Managing Director of BRS, Mr. Sherrill is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Sherrill is not subject to the supervision of any other individual.

Thomas J. Baldwin

Educational Background and Business Experience

Thomas J. Baldwin, born 1959, joined BRS in 2000 and serves as a Managing Partner and as a Managing Director. Previously, Mr. Baldwin spent 7 years at The INVUS Group, Ltd., a private equity investment firm, first as Vice President and then as Managing Director. Prior to joining The INVUS Group, Ltd., Mr. Baldwin was a consultant with the Boston Consulting Group, a strategy consulting firm. Mr. Baldwin received a BBA from Siena College and his MBA from Harvard Business School. Mr. Baldwin is a director of The Sheridan Group, Inc., Totes Isotoner Corporation, Not Your Average Joe's, Inc. and InMotion Entertainment Group, LLC.

Disciplinary History

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

Other Business Activities

Mr. Baldwin is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

Additional Compensation

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

Supervision

As a Managing Director of BRS, Mr. Baldwin is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Baldwin is not subject to the supervision of any other individual.