

BROCHURE
Form ADV Part 2A

Yucaipa Master Manager, LLC

9130 West Sunset Boulevard
Los Angeles, California 90069
www.yucaipaco.com

March 2018

This brochure provides information about the qualifications and business practices of Yucaipa Master Manager, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 789-7200 and/or legal@yucaipaco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Yucaipa Master Manager, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Yucaipa Master Manager, LLC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”). Recipients of this brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

ITEM 2 - MATERIAL CHANGES

This brochure was originally filed with the SEC in March 2012 in connection with the initial registration by Yucaipa Master Manager, LLC (“Yucaipa”) as an investment adviser pursuant to the Advisers Act. This brochure has been updated periodically since that time in accordance with the Advisers Act and rules promulgated by the SEC thereunder. The most recent amendment was filed with the SEC on March 31, 2017.

In the current amendment, various items in the brochure are being updated to reflect current information, including information concerning fees and compensation and the current amount of client assets managed on a discretionary and non-discretionary basis as of December 31, 2017.

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ITEM 4 - ADVISORY BUSINESS

A. Description of Advisory Firm

Yucaipa Master Manager, LLC (“Yucaipa”), a Delaware limited liability company, is owned and controlled by Mr. Ronald W. Burkle. Yucaipa and its predecessor entities have been in business since 1986. Yucaipa, through its controlled affiliates, provides investment advisory services to private investment funds sponsored by Yucaipa affiliates for the purpose of making private equity and similar investments in small-, mid-, and large-size companies (depending on the investment mandate of each particular fund), as well as their related investment vehicles (such as parallel funds, alternative investment vehicles, and co-investment vehicles). Such funds and related vehicles, together with subsequently sponsored funds and their related vehicles, and any similar pooled investment vehicles formed or managed by Yucaipa or its affiliates, will be referred to individually as a “Yucaipa Fund” and collectively as the “Yucaipa Funds.”

Certain affiliates controlled by or under common control with Yucaipa may serve as the general partner (or equivalent position) or investment manager of the Yucaipa Funds. Such affiliates are supervised persons of Yucaipa and intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of such affiliate(s), and other persons acting on their behalf, are and shall be subject to the supervision and control of Yucaipa. Such affiliates that are not separately registered and are relying on Yucaipa’s registration under the Advisers Act. All references herein to “Yucaipa” shall include such affiliates.

B. Types of Advisory Services Offered

Yucaipa, through its controlled affiliates, provides advice to the Yucaipa Funds in respect of their investment portfolios, as well as certain ancillary managerial and administrative services, including, without limitation, identifying and screening potential investments, recommending strategies for the management and disposition of investments, monitoring the performance of portfolio companies, assisting in certain circumstances with the management of portfolio companies, and preparing reports necessary or appropriate for compliance with the governing agreements of the Yucaipa Funds. Investments in the Yucaipa Funds are privately offered only to qualified investors, principally (but not restricted only to) institutional investors (for example, public and private pension funds). See also Item 4.A. above.

C. Services Tailored to Individual Needs of Clients

Yucaipa’s advisory services are geared to the management of the Yucaipa Funds, the investment objectives, parameters and restrictions of which are set forth and disclosed to investors in the applicable governing agreements for each of the Yucaipa Funds. Investment restrictions applicable to the specific Yucaipa Fund are imposed in the governing agreements for each Yucaipa Fund, as agreed upon with investors prior to the investor’s investment in the relevant Yucaipa Fund.

Yucaipa or certain affiliates may also enter into side letters or other writings with specific Yucaipa Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Yucaipa Fund agreements, in respect of the investor to whom such

letter or writing is addressed. Any rights established, or any terms altered or supplemented, will govern only that Yucaipa Fund investor and not a Yucaipa Fund as a whole. Such side letters may impose restrictions on participation in certain investments or types of investments made by the Yucaipa Funds, and may also provide benefits to certain investors in a Yucaipa Fund not provided to investors in such Yucaipa Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in a Yucaipa Fund or compliance with specified laws or regulations). Neither Yucaipa nor its affiliates will enter into a particular side letter if Yucaipa determines that the provisions contained in such side letter would be disruptive to the applicable Yucaipa Fund or its investment program. Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable Yucaipa Fund.

D. Wrap Fee Programs

Wrap fees are comprehensive fees charged to a client for providing a bundle of services, such as investment advice, investment research and brokerage services. Yucaipa does not participate in wrap fee programs.

E. Client Assets

As of December 31, 2017, Yucaipa managed approximately \$2,672,562,273 of client assets on a discretionary basis. As of December 31, 2017, Yucaipa did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

A. Fees

This brochure will be delivered only to “qualified purchasers” as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. The applicable fees for each Yucaipa Fund are disclosed to investors in the private offering materials for the relevant private offering of each Yucaipa Fund.

B. How Fees are Charged

Management fees are generally payable semiannually or quarterly in advance by each Yucaipa Fund. Management fees may be paid using capital contributions from Yucaipa Fund investors to each Yucaipa Fund pursuant to capital call notices delivered by each Yucaipa Fund’s general partner or managing member, or may be paid out of cash otherwise available to the Yucaipa Fund, for example, following a Yucaipa Fund’s receipt of proceeds from the sale of an underlying investment held by the applicable Yucaipa Fund.

With respect to the Yucaipa Funds, Yucaipa or an affiliate is typically entitled to “carried interest,” or performance fees, to the extent provided in the applicable Yucaipa Fund governing agreement. Performance fees are typically measured as a percentage of the profits from investments made by such Yucaipa Fund (after return of investors’ capital and a specified preferred return) and are negotiated separately for each Yucaipa Fund at a rate consistent with industry standards. Such fees are typically paid out of cash otherwise distributable to Yucaipa

Fund investors, such as the receipt by the Yucaipa Funds of proceeds from a portfolio investment. Any such performance fees are specifically disclosed to investors prior to investment in the governing agreements of the applicable Yucaipa Fund.

C. Other Fees and Expenses

Fees unrelated to securities management functions may be paid to Yucaipa or to a Yucaipa Fund's general partner, managing member, or affiliates. These fees may include topping up, break-up, monitoring, directors', organizational, set-up, investment banking, underwriting, syndication and similar fees. A portion of these fees will offset the management fees otherwise payable by the applicable Yucaipa Fund based on procedures specified in the governing agreement for the relevant Yucaipa Fund. These potential fee arrangements are disclosed in the private offering materials for each particular private vehicle offering and are contained in the governing agreements.

The Yucaipa Funds are also responsible for their own operating expenses, including fees, costs and expenses related to the purchase, holding and sale of investments, expenses of any administrators, custodians, counsel and accountants (including audit fees), any insurance, indemnity or litigation expenses, and any taxes, fees or other governmental charges levied against a Yucaipa Fund investment vehicle, and expenses arising in connection with the formation, launch and closings of a Yucaipa Fund (as described in, and subject to limits on such organizational expenses as set forth in, the applicable Yucaipa Fund governing agreements).

Given the nature of the Yucaipa Funds' investment program, Yucaipa infrequently transacts through broker-dealers. On such occasions, brokerage costs are incurred in accordance with Yucaipa's brokerage practices, a discussion of which may be found at Item 12 of this brochure.

As stated above, if Yucaipa or its affiliates receive certain fees and compensation, such as transaction and monitoring fees, directors' fees, break-up fees or other similar fees as described above (including, in each case, any such fees and income paid by portfolio companies of any of the Yucaipa Funds) in connection with the Yucaipa Funds' investments, then some or all of the amounts received (net of related expenses paid by Yucaipa or its affiliates) will generally be applied to reduce and offset management fees otherwise payable by the applicable Yucaipa Fund. The portion applied as an offset in this manner will depend on the specific type of fees or income involved and will be based on a percentage specified in the governing documents for the relevant Yucaipa Fund. However, compensation paid to individuals (including Yucaipa personnel) who are permanently or temporarily seconded to a portfolio company in a bona fide management capacity is generally excluded from the categories of fees and income which generate such management fee offsets. For example, Yucaipa and its affiliates have a network of highly experienced "operating partners" and other senior business executives who are regularly seconded to serve in management capacities as officers of Yucaipa Fund portfolio companies. In some cases, these individuals are current or former employees of Yucaipa and its affiliates and/or may be working on an exclusive or non-exclusive basis with Yucaipa and its affiliates as a consultant or other similar arrangement. These individuals perform valuable services to the portfolio companies and in return receive compensation which is believed to be reasonable and generally at market rates for the relevant services provided. However, because these individuals perform roles with companies which would otherwise require the companies to hire outside

professionals, the compensation that these individuals receive is properly characterized as part of the companies' normal operating expenses and is not treated as fee income to Yucaipa or its affiliates and, consequently, does not generate any management fee offset. Further details concerning the circumstances under which these and other types of fees and compensation are (or are not) deemed to trigger a management fee offset are set forth in the governing documents for the relevant Yucaipa Funds.

D. Refunds for Fees Charged in Advance

Management fees are generally paid by the Yucaipa Funds in advance for each semiannual or quarterly period, *i.e.*, management fees for the first sixth months of a given year would generally be paid on or around January 1 of that year. Fees assessed against the Yucaipa Funds are typically paid from amounts contributed to each such Yucaipa Fund by its investors in accordance with the commitments of capital such investors make to the Yucaipa Fund, or are paid out of cash otherwise available to the Yucaipa Fund. Should Yucaipa's services be terminated before services are provided for the period (or before the end of the relevant semi-annual or quarterly period), fees assessed in advance will be returned under a method that is reasonably determined to be fair. In general, such returned fees would be pro-rated from the date of Yucaipa's termination to the end of the period to which the advance fee covered. Yucaipa's advisory engagements will be subject to termination upon advance notice by either the general partner or managing member of the applicable Yucaipa Fund or by Yucaipa.

E. Compensation for Sales of Securities

Neither Yucaipa nor its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A Yucaipa Fund may be subject to a "carried interest" or performance fee that is paid to the Yucaipa Fund's general partner/managing member. These fees are typically measured as a percentage of the profits from investments made by a Yucaipa Fund and are negotiated at a rate consistent with industry standards and in compliance with the Advisers Act. No performance fee is charged in respect of any Yucaipa Fund investor unless such investor is reasonably believed to be either a "qualified client" (within the meaning of Advisers Act rule 205-3) or a non-U.S. person. Currently, the amount of these fees, where applicable, is typically 20% of the net profits of a Yucaipa Fund (after return of capital and a specified preferred return), subject to the specific formula provided in a given Yucaipa Fund's governing agreements. Each Yucaipa Fund investor's status as a "qualified client" is generally established by means of a detailed subscription agreement and questionnaire which is furnished to the Yucaipa Fund at the time of the investment together with such other supporting documentation as is deemed necessary to establish the investor's eligibility to invest in the applicable Yucaipa Fund.

Yucaipa (through its controlled affiliates) manages Yucaipa Funds yielding different performance fees, if any. Yucaipa and its supervised persons face a potential conflict of interest

in managing such Yucaipa Funds at the same time, including that Yucaipa and its supervised persons may have an incentive to favor accounts for which Yucaipa or its supervised persons receive a performance-based fee. Additionally, the existence of carried interest may create an incentive for Yucaipa and its supervised persons to make riskier or more speculative investments on behalf of a Yucaipa Fund with a carried interest arrangement than would be the case in the absence of such an arrangement. Such conflicts of interest, and the methods Yucaipa and its supervised persons utilize to address these conflicts, are disclosed to Yucaipa Fund investors in each applicable Yucaipa Fund's governing agreements before they invest. Where an investment opportunity is suitable for more than one Yucaipa Fund, Yucaipa will allocate such investment in a manner intended to be fair and reasonable, and in accordance with the governing agreements of the applicable Yucaipa Funds. For additional information on how Yucaipa addresses such conflicts, see Item 10.C below.

ITEM 7 - TYPES OF CLIENTS

Yucaipa, through its controlled affiliates, generally provides investment advice solely to the Yucaipa Funds, which are private equity investment funds and related investment vehicles. Interests in the Yucaipa Funds are offered privately only to qualified investors, typically institutional investors (for example, public and private pension funds). Yucaipa typically imposes a minimum investment in connection with investing in a Yucaipa Fund of \$10 million, although such minimums may be waived in the discretion of Yucaipa. On occasion, Yucaipa may also offer investment opportunities to its qualified professional personnel, as well as other qualified institutions or individuals who have a pre-existing relationship with Yucaipa or offer expertise or other assistance with respect to a particular investment area or portfolio investment. In addition, Yucaipa and/or its affiliates make capital commitments to the Yucaipa Funds, for investment at the same time and on the same terms (at the level of the portfolio investment) as other commitments to the Yucaipa Funds.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Yucaipa (through its controlled affiliates) typically invests assets of the Yucaipa Funds in small-, mid-, and/or large-sized companies principally located in the U.S. (depending on a particular Yucaipa Fund's investment mandate) that Yucaipa believes have significant potential for economic growth. Yucaipa works with the management of these portfolio companies to strategically position or reposition their businesses and/or implement operational and other improvements, with the intent to create value. Yucaipa then sells or transfers the Yucaipa Fund's interest in a portfolio company and the Yucaipa Fund distributes the proceeds to its investors in accordance with the distribution formula provided in the applicable Yucaipa Fund governing agreement. Investors are provided with more detailed information on the investment strategies of an applicable Yucaipa Fund before they invest.

Participation in any Yucaipa Fund involves a risk of loss that investors should be prepared to bear, including up to the entire amount of their investment or commitment. For a discussion of material risks, see Item 8.B immediately below.

B. Material Risks

Investing in private equity funds like the Yucaipa Funds involves a wide range of risks. Investors are provided with more detailed information regarding material risks to which an investment in a Yucaipa Fund is subject before investing. Such material risks include, but are not limited to, those set forth below.

The market for attractive investment opportunities is highly competitive. Yucaipa's ability to compete depends on, among other things, the retention of its personnel, its ability to identify, analyze and secure investments, and its ability to execute on its investment strategy for each portfolio company. Success also depends on, among other things, the accuracy of information received and assumptions made at each step of the investment process. A Yucaipa Fund's investments may include securities issued by underperforming companies. Operating results of such companies are particularly difficult to predict. Yucaipa may invest in securities that are junior in a portfolio company's capital structure, which are subject to greater risk of loss. Because the Yucaipa Funds generally participate in a limited number of investments and industries, the unfavorable performance of only a few holdings may substantially adversely impact a Yucaipa Fund.

Yucaipa may take a control or management position in some portfolio companies, and may acquire a minority interest in others. Each type of investment has its own inherent risks. The success of a portfolio investment will also depend on the company's management team, which typically assumes responsibility for day-to-day operations, as well as any other participants investing along with a Yucaipa Fund. The use of borrowed money to make an investment or otherwise in connection with a portfolio company may also increase the exposure of a Yucaipa Fund or the portfolio company to adverse economic factors.

A variety of factors outside Yucaipa's control could adversely affect the operation of any portfolio company as well as the Yucaipa Fund's ability to sell or transfer an investment on favorable terms (if at all), or give rise to an unexpected need to dispose of an investment at a disadvantageous time. Certain investments may be distributed in kind to Yucaipa Fund investors as described in each Yucaipa Fund's governing agreements.

U.S. and global market and economic conditions may impact the ability to, among other things: (a) make investments and effect exits on favorable terms, (b) secure and improve the performance of portfolio companies, and (c) access (or cause portfolio companies to access) credit markets on favorable terms (or at all). There can be no assurance as to the future direction of national and global market and economic conditions.

Yucaipa Fund investors are, and will be, severely restricted in their ability to assign, sell, exchange or transfer their interests in, or to withdraw from, a Yucaipa Fund, and must be prepared to bear the risks of owning interests for an extended period of time. Yucaipa does not intend to cause the Yucaipa Funds to be registered under the Investment Company Act of 1940,

and therefore Yucaipa Fund investors are not afforded the protections of the Investment Company Act of 1940.

A Yucaipa Fund's indemnification obligations to its general partner/managing member and certain other related parties are generally payable from Yucaipa Fund's assets (including the investors' unpaid commitments), and the Yucaipa Fund may typically recall distributions previously made to investors, subject to certain limitations.

A Yucaipa Fund may not be able to act on certain confidential information, and may be required to disclose confidential information to third parties or withhold information otherwise to be provided to an investor if and to the extent required by federal, state or local law or regulation.

The Yucaipa Funds are generally structured so that their underlying assets will not constitute assets of any plan subject to Title I of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended. This may restrict a Yucaipa Fund's activities, preclude it from making certain investments, and require it to take actions that may expose the assets of the Yucaipa Fund to claims or liabilities. Failure to structure the Yucaipa Fund accordingly may also expose a Yucaipa Fund to additional duties and liabilities under ERISA.

The Yucaipa Funds are generally expected to be treated as pass-through vehicles for U.S. federal income tax purposes. Investments in the Yucaipa Funds give rise to a variety of complex U.S. federal income tax and other tax issues for both tax-exempt and non tax-exempt investors.

There will be occasions when Yucaipa and its affiliates may encounter potential conflicts of interest in connection with the Yucaipa Funds. Such conflicts may include, but are not limited to, the following:

- The existence of "carried interest," which is discussed further in Item 6 above.
- A Yucaipa Fund's general partner/managing member and its affiliates may be entitled to receive break-up, directors', advisory, underwriting, and similar fees in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions.
- The general partner or managing member of a Yucaipa Fund may elect to co-invest the Yucaipa Fund's capital with other investors who have preexisting investments with other Yucaipa Funds or Yucaipa affiliates on different terms.
- Yucaipa personnel generally devote time to multiple Yucaipa Funds and activities of other Yucaipa affiliates.
- The Yucaipa Funds may on occasion engage in certain affiliated or interested transactions, as further discussed in Item 11 below.
- As further discussed in Item 6 above and Item 10.C below, Yucaipa may be presented from time to time with investment opportunities that meet the investment objectives of one or more Yucaipa Funds and/or other Yucaipa-advised investment vehicles.

Conflicts of interest, and the methods Yucaipa and its supervised persons utilize to address these conflicts, are generally disclosed to Yucaipa Fund investors in each applicable Yucaipa Fund's governing agreements before they invest and/or to Yucaipa Fund investors or an advisory board

formed to represent such investors on an ongoing basis as and when they arise during the term of each Yucaipa Fund.

To address conflicts of interest such as those described above, Yucaipa investment professionals generally prepare an investment memorandum for each new investment opportunity or other transaction. Yucaipa's Chief Compliance Officer (the "CCO"), together with other members of Yucaipa's legal and compliance personnel, reviews these investment memoranda or, in the absence of a formal investment memorandum, confers with the Yucaipa investment professionals who are involved in any transaction or proposed transaction at the outset of the investment process and on an ongoing basis as deemed necessary to identify any actual or potential conflicts of interest. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with the senior management personnel of Yucaipa ("Senior Management") and legal counsel, if deemed appropriate, in order to recommend courses of action to Senior Management. Senior Management determines the specific actions to be taken.

In addition, the governing agreements for the Yucaipa Funds generally contain specified procedures to address conflicts of interests. These procedures may include (i) requiring a Yucaipa Fund general partner/managing member to take certain actions to mitigate the conflict of interest and/or (ii) referring a conflict of interest transaction to a Yucaipa Fund's advisory board. A Yucaipa Fund's advisory board is typically comprised of representatives of investors in the applicable Yucaipa Fund and is typically authorized to grant consents on behalf of the Yucaipa Fund as to various matters specified in the governing agreements.

C. Recommendations of Particular Securities

The Yucaipa Funds have traditionally invested in companies involved in several industry sectors. In addition to their investments in the retail food industry, the Yucaipa Funds invest in other retail industries, as well as industries such as (but not limited to) logistics, manufacturing, food safety, hospitality, financial services, media and entertainment. Portfolio companies in certain industries may be subject to regulatory oversight. Changes in laws or regulations relating to these industries could have an adverse effect on the Yucaipa Funds' portfolio companies, and therefore on the Yucaipa Funds' investments. The risks described in Item 8.B also apply with respect to these securities.

ITEM 9 - DISCIPLINARY INFORMATION

Yucaipa is not aware of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealers

Neither Yucaipa 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. Futures and Commodity Trading

Neither Yucaipa 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. Material Relationships

Yucaipa and its affiliates form the Yucaipa Funds to make private equity and related investments. Yucaipa, through its controlled affiliates, provides investment management services to such Yucaipa Funds. These relationships and related management or other fees are disclosed in the private offering materials in connection with the launch of such Yucaipa Funds.

The Yucaipa Funds generally have separate and distinct investment mandates. However, instances can arise in which a given investment opportunity is deemed appropriate for more than one of the Yucaipa Funds. In response to the potential conflicts created by such situations, Yucaipa seeks to allocate investment opportunities among the Yucaipa Funds in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs of each Yucaipa Fund. In addition, certain Yucaipa Fund governing agreements prescribe additional requirements for the allocation of investment opportunities, which will be disclosed to investors prior to their investment in such Yucaipa Fund. Under no circumstances may Yucaipa or any affiliate allocate investment opportunities based on anticipated compensation or profits to Yucaipa, any affiliates or their employees. Each Yucaipa Fund has its own investment guidelines, charter and organizational documents that are taken into account when making investment allocation determinations.

The conflicts of interest discussed above, and the methods Yucaipa and its supervised persons utilize to address these conflicts, are disclosed to Yucaipa Fund investors in further detail in each applicable Yucaipa Fund's governing agreements before they invest.

D. Recommendation or Selection of Other Investment Advisers

Yucaipa does not recommend or select other investment advisers for its clients, nor does it receive compensation directly or indirectly from any such advisers.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Yucaipa is a fiduciary to its clients, currently the Yucaipa Funds. This means that Yucaipa and its employees must put the interests of the Yucaipa Funds first. To that end, Yucaipa employees are required to:

- Place the interests of the Yucaipa Funds above any personal interests;

- Seek to identify conflicts of interest and observe established resolution procedures as described in Yucaipa's Code of Ethics and Compliance Manual;
- Avoid misleading or inaccurate statements that may be attributed to Yucaipa;
- Conduct personal securities transactions in a manner consistent with Yucaipa's Code of Ethics (including pre-clearance and reporting of transactions);
- Report any violations of Yucaipa's Code of Ethics, or Yucaipa's Compliance Manual generally, to its CCO; and
- Comply with applicable provisions of the federal securities laws.

See Items 11.C and 11.D below for further details regarding Yucaipa's Code of Ethics.

Copies of Yucaipa's Code of Ethics are available to any client or prospective client upon request.

Yucaipa's policies and procedures for addressing conflicts of interest generally are also described in more detail at Item 8.B above.

B. Participation or Interest in Client Transactions

Yucaipa (through its controlled affiliates) provides ongoing portfolio management for the Yucaipa Funds. Investment decisions with respect to the Yucaipa Funds are made by Yucaipa's Managing Partner, Mr. Ronald W. Burkle, based on information and recommendations provided by Yucaipa's investment committee (the "Investment Committee"). Yucaipa, in consultation with Mr. Burkle and the Investment Committee, is responsible for monitoring and managing each Yucaipa Fund's investment portfolio in accordance with the particular Yucaipa Fund's investment objectives, limitations, and guidelines, and as set forth in the Yucaipa Fund's governing agreements.

Yucaipa is subject to restrictions disclosed to investors in the applicable Yucaipa Fund governing agreements relating to principal transactions, cross trades and other affiliated transactions, in which Yucaipa or its employees may have interests that are adverse to, or in any event potentially not aligned with, the interests of one or more of the Yucaipa Funds.

A "principal transaction" would be deemed to occur in any instance in which Yucaipa, or an entity in which Yucaipa or its affiliates has a significant interest, sells a security to, or purchases a security from, any of the Yucaipa Funds. A "cross trade" would be deemed to occur in any instance in which one of the Yucaipa Funds sells a security to, or purchases a security from, another Yucaipa Fund. Either of the above would also be deemed to constitute an "affiliated transaction", a category which would also include any transaction in which Yucaipa or its affiliates or personnel has some other interest, whether it be a material pecuniary interest or otherwise. In any of the above cases, Yucaipa (or the relevant affiliate) could face a potential conflict of interest. For example, in the case of a principal transaction, there could be a risk of Yucaipa's interest in the transaction influencing the price or other terms on which the relevant

security is bought or sold in a manner detrimental to the Yucaipa Fund involved. Similarly, in the case of a “cross trade”, there could be a risk of Yucaipa’s interest in the transaction influencing the conduct of the transaction under circumstances in which Yucaipa (or the relevant affiliate) would earn varying compensation from the different Yucaipa Funds involved. All of the above are fairly rare, but such situations can arise from time to time and, in any of the above cases, the transactions would occur (if at all) only upon confirmation that they are to be effected in full compliance with the Advisers Act and other applicable law and the governing documents of the relevant Yucaipa Funds. In this regard, the governing documents for each of the Yucaipa Funds generally mandate that any such matters be disclosed prior to the transactions being effected and such transactions are generally prohibited unless the relevant Yucaipa Fund (and/or a designated advisory board or committee representing the investors in the relevant Yucaipa Fund) has given its approval.

To address the conflicts of interest described above, Yucaipa investment professionals prepare an investment memorandum for each new investment opportunity or other transaction. The CCO reviews these investment memoranda or, in the absence of a formal investment memorandum, confers with the Yucaipa investment professionals who are involved in any transaction or proposed transaction at the outset of the investment process and on an ongoing basis as deemed necessary to identify any actual or potential conflicts of interest. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with Senior Management and legal counsel, if deemed appropriate, in order to recommend courses of action to Senior Management. Senior Management determines the specific actions to be taken.

C. Personal Trading

Conflicts of interest may arise between a Yucaipa Fund and Yucaipa when Yucaipa or a related person invests in the same securities that it recommends to the Yucaipa Funds, or has another interest in a transaction that is, or may be, in conflict with the interest of any of the Yucaipa Funds.

Yucaipa employees may have personal conflicts of interest, such as (i) a material interest in a transaction to be entered into with or for a Yucaipa Fund, (ii) a relationship that gives or may give rise to a conflict of interest in relation to a transaction or (iii) another interest in a transaction that is, or may be, in conflict with the interest of any Yucaipa Funds.

To address these conflicts, Yucaipa’s Code of Ethics (discussed in Item 11.A above) requires, among other items, that each Yucaipa employee submit to the CCO a report of his or her current holdings of covered securities, including securities holdings of any account which such employee manages or exercises (or shares) investment discretion, as well as holdings of his or her domestic partner and any immediate family members residing with the employee. The employee must update this report annually or as otherwise directed by the CCO.

Yucaipa’s Code of Ethics also requires all personnel to obtain pre-clearance before entering into any purchase or sale of securities or any beneficial interest therein. Any requested trading pre-clearance will be rejected if Yucaipa determines that Yucaipa is currently in possession of material non-public information about the company involved and/or if the proposed purchase or sale could otherwise cause a violation of applicable law or fiduciary duties. To that end, Yucaipa

maintains a list of securities where Yucaipa may be deemed to be in possession of material non-public information as of a given point in time. All proposed trades are cross-checked against this restricted list and personnel are also required to certify that they are not in possession of material non-public information regardless of whether the company involved appears on the restricted list or not.

D. Personal Trading Contemporaneous with Client Transactions

Conflicts of interest may arise when Yucaipa (or a related person) or its employees buy or sell securities for client accounts at or about the same time as it buys or sells the same securities for its own account. In these situations, Yucaipa addresses actual or potential conflicts of interest in the manner outlined in Item 11.C above.

In addition to the report of current holdings described in Item 11 C above, Yucaipa's Code of Ethics mandates that employees may only maintain securities account(s) (over which they have direct or indirect influence or control) with a qualified financial institution and only so long as the employee agrees to cause, and does cause, the financial institution to provide to the CCO transaction confirmations and monthly statements for the account, or so long as the employee otherwise agrees to provide, and does provide, the CCO with a true and complete copy of such transaction confirmation and monthly statements promptly.

Employees are not permitted to buy or sell any security or property (or cause another person to do so) if the employee is in possession of "material" non-public information relating to the issuer or the transaction. Employees also may not disclose this information to a third party to use in securities transactions. In general, "material" information means information that would reasonably affect, or have a significant impact on, an investor's decision to buy or sell a security, or information that would have been viewed by a reasonable investor as having significantly altered the "total mix" of information available.

ITEM 12 - BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Given the nature of the Yucaipa Funds' investment programs, Yucaipa does not usually transact through broker-dealers. However, in situations where Yucaipa may need to select a broker-dealer, Yucaipa will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions. Yucaipa does not have any agreements in place that require that Yucaipa give any specified amount of brokerage to any broker-dealer.

1. Research and Other Soft Dollar Benefits

In practice, Yucaipa's investment program typically does not focus on investments in listed companies. As a result, it is Yucaipa's policy not to enter into soft dollar arrangements or to accept soft dollars.

2. Brokerage for Client Referrals

Yucaipa does not consider whether it or a related person receives client referrals from a broker-dealer or a third party when selecting or recommending broker-dealers.

3. Directed Brokerage

Directed brokerage occurs when a client directs an adviser to execute transactions through a specified broker-dealer. This practice may cause clients to pay more money because the adviser cannot aggregate purchases or sales of securities with a broker-dealer and obtain a more favorable rate. Directed brokerage also occurs when an adviser routinely recommends, requests or requires clients to execute transactions through a specified broker-dealer. Not all investment advisers require their clients to direct brokerage in this manner. As a result of this practice, an adviser may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money. Given that Yucaipa or its affiliates generally maintain investment discretion on behalf of the Yucaipa Funds, Yucaipa can generally require the Yucaipa Funds to use a specified broker-dealer.

B. Aggregation of Orders of Securities for Client Accounts

Although the investments of the Yucaipa Funds do not generally require the services of a broker-dealer, Yucaipa may seek to aggregate orders of securities for the accounts of the Yucaipa Funds where practicable.

ITEM 13 - REVIEW OF ACCOUNTS

A. Periodic Review of Client Accounts

The portfolio investments of the Yucaipa Funds are regularly reviewed by Yucaipa investment professionals. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company owned by the Yucaipa Funds. The Investment Committee performs periodic comprehensive reviews. The offering materials for each Yucaipa Fund contain specific descriptions of the oversight and monitoring of the portfolio investments of each Yucaipa Fund. In addition, the annual financial statements of each Yucaipa Fund are audited and valuations of each Yucaipa Fund's portfolio investments are generally presented to the Yucaipa Fund's advisory board on an annual basis in accordance with procedures specified in the governing documents.

B. Factors that Trigger a Review of Client Accounts

Yucaipa investment professionals review the portfolio investments of the Yucaipa Funds on a periodic basis. There are no specific triggers to launch a portfolio review.

C. Reports to Clients Regarding Their Accounts

Yucaipa, through its controlled affiliates, delivers written financial reports to the Yucaipa Funds (and their investors) on a quarterly basis as well as audited annual financial statements. These

reports include information relevant to the Yucaipa Fund's investments (and each investor's investment in such Yucaipa Fund). In general, the Yucaipa Funds (as well as each investor therein) receive written audited annual financial statements (including a balance sheet and a statement of income or loss) and a summary of the portfolio investments of the applicable Yucaipa Fund.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Client Referrals

Yucaipa does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the Yucaipa Funds.

B. Compensation for Client Referrals

Yucaipa or its affiliates may sometimes enter into arrangements in which persons (including Yucaipa affiliates) assist in the capital-raising efforts of a Yucaipa Fund in exchange for a fee. The fee paid, if any, to such persons may be calculated as a percentage of funds raised by such persons, as specifically negotiated between Yucaipa and each such person. These relationships could affect the independence of such person in connection with their recommendations of a particular Yucaipa Fund. As a matter of policy, Yucaipa and its affiliates seek to procure that in connection with any such placement agent or finders' arrangement, disclosure of the agreement (including compensation thereunder) is made to investors in the Yucaipa Fund in respect of whose investment such placement or finders' fee applies. Yucaipa or its affiliates do not engage any placement agent or finder that is not duly registered with FINRA (or, if applicable, corresponding non-U.S. authorities) or duly registered with the SEC as an investment adviser. These types of arrangements are disclosed in the relevant Yucaipa Fund offering materials. And if placement fees are paid in respect of any particular Yucaipa Fund investor's commitment, then these matters are disclosed to that investor in accordance with the applicable SEC rules governing placement agents.

ITEM 15 - CUSTODY

Yucaipa maintains Yucaipa Fund assets with "qualified custodians" as required by SEC rules. Because the Yucaipa Funds are audited and deliver audited financials to investors within 120 days of calendar year end, the Yucaipa Funds (as well as investors therein) will not receive reports directly from Yucaipa's "qualified custodian."

ITEM 16 - INVESTMENT DISCRETION

Yucaipa, through its controlled affiliates, has discretionary authority to manage the investment portfolios of each of the Yucaipa Funds. This authority is limited by each Yucaipa Fund's governing agreements and investment guidelines, as specifically negotiated between Yucaipa and Yucaipa Fund investors. For additional discussion of limitations clients may impose on investing in certain securities or types of securities, see Item 4.C above.

ITEM 17 - VOTING CLIENT SECURITIES

A. Authority to Vote Client Securities

Rule 206(4)-6 under the Advisers Act requires all investment advisers who exercise voting authority over client proxies to: (i) adopt policies and procedures for voting proxies in the best interest of the client; (ii) describe the procedures to clients; and (iii) inform clients how they may obtain information about how the adviser has actually voted their proxies.

Yucaipa has policies and procedures that Yucaipa believes are reasonably designed to ensure that proxies are voted in the best interests of Yucaipa clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. The general policy of Yucaipa is to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) relating to the Yucaipa Funds in a manner that serves the best interest of the Yucaipa Fund, as determined by Yucaipa in its discretion, taking into account relevant factors, such as (but not limited to) the impact on the value of the returns of the relevant Yucaipa Fund and industry and business practice.

If Yucaipa determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Yucaipa will vote such proxy as it determines to be in the best interest of the relevant Yucaipa Fund. If Yucaipa believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then Yucaipa will take action in accordance with the applicable Yucaipa Fund’s governing agreements or as otherwise determined by Yucaipa to be in the best interest of the Yucaipa Fund. This may include, but is not limited to, seeking approval of the voting decision for such proxy proposal from the relevant Yucaipa Fund’s advisory board, which is comprised of representatives of investors in the applicable Yucaipa Fund and is authorized to grant consents on behalf of the Yucaipa Fund as to various matters specified in the governing documents.

The CCO is responsible for identifying any potential conflict of interest for each proxy, and reporting this information to Senior Management. Senior Management is responsible for determining how to vote such proxies and whether to confer with the advisory board of an applicable Yucaipa Fund before voting.

The CCO is responsible for monitoring compliance with Yucaipa’s proxy voting policies and procedures. The CCO will also maintain, or have available, written or electronic copies of each proxy statement received and of each executed proxy, as well as all applicable records relating to each proxy.

Information requests regarding Yucaipa’s proxy voting policies and procedures and/or how Yucaipa has voted on specific proxies may be made to the CCO.

Because Yucaipa has authority to vote client securities, Item 17.B of Form ADV Part 2A (addressing considerations if an adviser does not have authority to vote client securities) has been omitted.

ITEM 18 - FINANCIAL INFORMATION

A. Balance Sheet

Not applicable.

B. Financial Conditions Likely to Impair Contractual Commitments

Yucaipa is unaware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

C. Bankruptcy Petitions

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