

INVESTMENT ADVISER BROCHURE

WINDJAMMER MANAGEMENT PARTNERS, L.P.

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Windjammer Management Partners, L.P. (“Windjammer Management”). If you have any questions about the contents of this Brochure, please contact us at (949) 721-9944. 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.

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

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ADVISORY BUSINESS

Windjammer Capital Investors is a private investment management firm, including several registered investment advisory entities and other organizations affiliated with Windjammer Management (collectively, “**Windjammer Capital Investors**”), that manages approximately \$1.2 billion in private fund assets. Windjammer Capital Investors commenced operations in October 1990.

Windjammer Management, a Delaware limited liability company and a registered investment adviser, together with its affiliated investment advisers provide investment advisory services to private investment funds. Windjammer Management commenced operations in November 2011.

Windjammer Management’s clients include the following (each, together with any co-invest or parallel investment vehicles, a “**Fund**” and together with any future private investment fund to which Windjammer Management or its affiliates provide investment advisory services, the “**Private Investment Funds**”):

- Windjammer Mezzanine & Equity Fund II, LP (“**Fund II**”);
- Windjammer Senior Equity Fund III, LP (“**Fund III**”); and
- Windjammer Senior Equity Fund IV, LP (“**Fund IV**”).

The following are the investment advisers affiliated with Windjammer Management (together with Windjammer Management, the “**Advisers**”):

- Windjammer Administration Company, Inc.
- Windjammer Management Company, Inc. (together with Windjammer Management and Windjammer Administration Company, Inc., the “**Management Companies**”);
- Windjammer Capital Investors, LLC (“**WCI**”);
- Windjammer Capital Investors III, LLC (“**WCI III**”); and
- Windjammer Capital Investors IV, L.P. (“**WCI IV**,” and together with WCI and WCI III, the “**General Partners**”).

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

In their respective capacities as the Management Company or General Partner, as applicable, of the relevant Fund, the Advisers have the authority to manage the business and affairs of such Fund. The Funds are private equity funds and invest primarily through negotiated

transactions in operating entities. The Advisers' investment advisory services to their respective 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. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Windjammer Management or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by a Fund.

The Advisers' advisory services for and to the Private Investment Funds are detailed in the applicable private placement memoranda, investment management agreements and limited partnership agreements and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." In performing investment advisory services for Private Investment Funds, the Advisers have retained WMC and/or Windjammer Management, to provide advisory personnel and services. Investors in Private Investment Funds participate in the overall investment program for the applicable Private Investment Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The advisory services of Windjammer Management are described herein.

As of December 31, 2011, Windjammer Management managed approximately \$1.2 billion in client assets on a discretionary basis. The Advisers are ultimately owned and controlled by Robert Bartholomew and Costa Littas, although the ownership percentages of Mr. Bartholomew and Mr. Littas vary by Adviser.

FEES AND COMPENSATION

In general, the Advisers receive a management fee and/or performance-based carried interest in connection with advisory services. Windjammer Management or other Windjammer Capital Investors entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of Private Investment Funds and such additional compensation generally will offset in whole or in part the management fees otherwise payable to the relevant Adviser. Investors in the Funds also bear certain fund expenses.

Management Fees

Fund IV will pay Windjammer Management, quarterly in advance, a management fee (the "**Management Fee**") equal to 1.625% per annum of aggregate Fund IV investor capital commitments ("**Commitments**"). Investors participating in a closing after Fund IV's effective date will bear the Management Fee retroactive to the effective date. Upon the occurrence of certain events specified in the limited partnership agreement (the "**Partnership Agreement**") of Fund IV, the Management Fee will be reduced to 1.5% per annum, calculated semi-annually, of (a) the aggregate funded Commitments with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless; upon the receipt or accrual of management fees with respect to a successor fund that satisfies the conditions set forth in the Partnership Agreement of Fund IV, the Management Fee will be reduced to 1.0% per annum, calculated semi-annually, of (a) the aggregate funded Commitments

with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless. The Management Fee will be payable until the final distribution of Fund IV's assets. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

Fund III will pay Windjammer Management, quarterly in advance, a Management Fee originally equal to 1.625% per annum of aggregate Fund III investor Commitments. Upon the occurrence of certain events specified in the Partnership Agreement of Fund III, the Management Fee will be reduced to 1.5% per annum, calculated semi-annually, of (a) the aggregate funded Commitments with respect to investments held by Fund III on the calculation date, as reduced by (b) investments that have been written off as worthless; upon the commencement of investment in a successor fund that satisfies the conditions set forth in the Partnership Agreement of Fund III, the Management Fee will be reduced to 1.0% of (a) the aggregate funded Commitments with respect to investments held by Fund III on the calculation date, as reduced by (b) investments that have been written off as worthless. The Management Fee amount will not be less than (a) \$250,000 in any year prior to July 24, 2016 or (b) \$150,000 in either of the first two years of any extension of Fund III's term beyond July 24, 2016. The Management Fee will be payable during the term of Fund III (including any extensions) and for one year thereafter, or, if earlier, until final liquidation of Fund III. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

Fund II will pay Windjammer Management quarterly in advance, a Management Fee originally equal to 1.625% per annum of aggregate Fund II investor Commitments. The Management Fee has been reduced to 1.0% per annum, calculated semi-annually, of (a) the cost basis of investments held by Fund II on the calculation date, as reduced by (b) investments that have been written as worthless. The Management Fee amount will not be less than \$200,000 in any year. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

Subject to variations in the Partnership Agreements, each Fund's Management Fee will be reduced in part by "Portfolio Company Fees" (as defined below) paid by portfolio companies of the relevant Fund, after reimbursement of "Broken Deal Expenses" (as defined below). "**Portfolio Company Fees**" are any fees, commissions and other compensation, excluding all or a portion of director's fees, (whether in cash, securities or otherwise) paid by a portfolio company or a potential portfolio company to Windjammer Management, the relevant General Partner or the relevant Management Company or to an affiliate of any of the foregoing, as applicable, net of expenses relating thereto. "**Broken Deal Expenses**" are any out-of-pocket costs and expenses incurred by Windjammer Management, the relevant General Partner or the relevant Management Company or an affiliate of any of the foregoing, as applicable, related to the investment activities of such Fund in developing, negotiating and structuring prospective or potential investments that are not ultimately made, including, without limitation, any reasonable legal, accounting, advisory, consulting and third-party financing costs in connection therewith. To the extent that such an offset credit would reduce the Management Fee for a given period below zero, the credit will be carried forward for application against future Management Fees.

Subject to the Partnership Agreements, Windjammer Management or another Windjammer Capital Investors entity will be permitted to retain without offset against the Management Fee all or a limited portion of reasonable and customary directors' fees received from any portfolio company (such fees, "**Supplemental Fees**") for actually attending board meetings Supplemental Fees received are generally reported annually to the relevant Fund advisory board (the "**Advisory Board**").

It is expected that any future Private Investment Funds will have a similar fee structure.

Carried Interest

The relevant Fund's General Partner will receive a carried interest with respect to such Fund of up to 20% of all realized profits after Fund limited partners have received an 8% preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to each General Partner may be subject to a potential giveback at periodic dates during the relevant Fund's term and at the end of the life of the relevant Fund if such General Partner has received excess cumulative distributions.

Other Information

The Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the applicable Partnership Agreement, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in any Fund.

Principals or other employees of Windjammer Management and/or Windjammer Capital Investors may receive a portion of the Management Fee, Supplemental Fees, , carried interest or other compensation received by Windjammer Management or its affiliates.

In addition to the Management Fee and carried interest payable to Windjammer Management and its affiliates, the Funds bear certain expenses. As set forth in the relevant Partnership Agreement, each Fund bears all expenses to the extent not paid by portfolio companies, including: legal, custodial and accounting expenses; fees and expenses for special consulting services relating to portfolio investments; Advisory Board expenses; liability insurance premiums; costs of partners' meetings; valuation expenses; brokerage fees and expenses (incurred in accordance with the practices set forth in "Brokerage Practices"); finder's fees; indemnity expenses; interest; cost of financings and derivative transactions; borrowing costs to finance investments; taxes; expenses relating to litigation and threatened litigation involving such Fund; organizational expenses (subject to a maximum amount set forth in the relevant Partnership Agreement); extraordinary and other similar fees and expenses; expenses incurred in investigating, negotiating and supervising investment opportunities for such Fund; fees and expenses for the preparation and delivery of reports and notices to limited partners and other administrative services; and maintenance of books and records for such Fund. No Fund will bear Windjammer Capital Investors' expenses in connection with maintaining and operating Windjammer Capital Investors' offices (such as compensation of employees, rent, utilities or general office expenses).

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” Windjammer Management or its affiliates receive a carried interest allocation on certain realized profits in the relevant Fund. Windjammer Management or its affiliates advise certain Private Investment Funds formed as co-invest vehicles that are not subject to a carried interest. This practice could present a conflict of interest because Windjammer Management or such affiliate has an incentive to favor accounts for which we receive a performance-based fee. Windjammer Management or such affiliate addresses this potential conflict of interest by investing on behalf of such entities in parallel with the relevant carried interest-paying Private Investment Fund.

TYPES OF CLIENTS

Windjammer Capital Investors provides investment advice to Private Investment Funds, which 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 Windjammer Management and its affiliates.

The Funds generally have a minimum investment amount of \$2 million for third-party investors, and Fund interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Windjammer Capital Investors personnel). Such minimum investment amount may be waived by the relevant General Partner.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Windjammer Capital Investors is a private investment firm that invests in middle market companies and supports management in their initiatives to grow earnings and build shareholder value. Windjammer Capital Investors has the capability to invest in various layers of such companies’ capital structure, including control and non-control private equity and subordinated debt financings.

Windjammer Management’s investment strategy for the Funds continues Windjammer Capital Investors’ historical strategy of investing in subordinated debt, preferred stock and common stock of middle-market companies (defined as companies generating EBITDA of approximately \$5 to \$50 million) that meet its investment criteria. Windjammer Capital Investors has remained committed to this market segment and has developed relationships with deal intermediaries that principally serve this market segment.

Once an investment opportunity has been identified, the relevant Fund seeks to implement an effective operating strategy to improve the performance of the acquired company by (i) actively engaging with management and other capital providers to enhance the strategic enterprise value of the business, (ii) supporting the business during recessions, (iii) providing

follow-on financing to existing portfolio companies, (iv) assisting portfolio companies in generating liquidity for its investors and (v) providing significant resources to portfolio companies.

There can be no assurance that the relevant Fund will achieve the investment objectives of such Fund and a loss of investment may be possible.

Investment and Operating Strategy

Deal Sourcing and Due Diligence. Each Fund pursues investments in middle-market companies that meet a majority of the following investment criteria: (i) significant participant in a niche market that has strong barriers to entry; (ii) strong management team with demonstrated track record of success; (iii) relatively predictable cash flows, (iv) industry growth at least as fast as, or faster than, the gross national product; (v) limited business risks, as perceived by Windjammer Capital Investors; (vi) multiple exit opportunities; and (vii) historically generated benchmark return on net assets. Each Fund's strategy is to maximize the number of investment opportunities in companies meeting these investment criteria through its proactive marketing efforts including an aggressive direct-calling program on a diversified network of deal sources. Once a potential investment is identified, each Fund customizes the structure of each portfolio investment to create a security that provides the "best risk-adjusted" rates of return in light of market conditions and the underlying characteristics of the target company. To supplement its investment strategy, Fund III and Fund IV will be authorized to utilize leverage to finance a portion of its interests.

Active Engagement with Portfolio Investments. A critical element of each Fund's investment strategy is its involvement with portfolio company management and other capital providers to enhance the strategic enterprise value of the business. The specific projects involved with this value-added interaction are customized to reflect the needs and opportunities at each portfolio company. Through formal governance rights, a broad range of covenants and shareholder/debtor rights, each Fund has a meaningful degree of control of its investments. A "portfolio manager" is assigned to each investment whose primary responsibility is to track and analyze the financial performance of the portfolio company against comparable companies that are publicly traded, and a customized set of financial and operating statistics for each company are developed. In certain situations, a Fund may employ independent consultants to assist portfolio companies with key strategic and tactical projects.

Support During Recessions. Each Fund actively supports its portfolio companies during downturns. In certain cases, it will employ consultants to assist portfolio companies with turn-arounds, provide additional rounds of financing (if merited) and re-price transactions to gain economic benefits.

Follow-on Financings. Each Fund is an active participant in supporting a portfolio company's normal or accelerated growth by providing additional rounds of financing to support acquisitions that are consistent with its investment thesis. Each Fund will also exercise its typical right to veto acquisitions that are inappropriate for the portfolio company.

Liquidity Rights on Investments. Each Fund negotiates liquidity rights on its investments, often to include a going-public demand right or the right to create a liquidity event for its investment via a “put” right or by forcing the sale of a company after some benchmarking, usually based on time. A Fund may also play a significant role in assisting its portfolio companies in generating liquidity for its investors.

Risks of Investment

Each Fund and its investors bear the risk of loss that Windjammer Capital Investors’ investment strategy entails. The risks involved with Windjammer Capital Investors’ investment strategy and an investment in a Fund include, but are not limited to:

No Assurance of Investment Return. Each Fund’s success will depend on the ability of the principals to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments on favorable terms. Although the principals have been successful in the past, there can be no assurances that any Fund will be able to invest its capital on attractive terms, generate returns for its investors or return the capital contributed by them. Past performance of funds associated with the principals is not necessarily indicative of future results and there can be no assurance that any Fund, Windjammer Capital Investors, Windjammer Management or any affiliate thereof will attain any targeted returns.

Competition for Investments; Identifying Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. Windjammer Management will be competing with other private investment funds, business development companies, direct investment funds, individual and institutional investors and merchant banks, and Windjammer Management may be unable to identify a sufficient number of attractive investment opportunities for a Fund. Identification of attractive market opportunities also generally will be subject to market conditions. Therefore, there can be no assurance that there will be a sufficient number of suitable investment opportunities to enable a Fund to invest all of its committed capital in opportunities that satisfy such Fund’s investment objective, or that such investment opportunities will lead to completed investments by such Fund.

Limited Number of Investments. A Fund may participate in a limited number of investments and, as a consequence, the aggregate return of such Fund may be substantially adversely affected by the unfavorable performance of even a single investment.

Illiquid and Long-Term Investments. A Fund’s investments will generally be highly illiquid, and there can be no assurances that such Fund will be able to realize a return on such investments in a timely manner or at attractive prices. A Fund’s investments will typically include securities for which there is no readily available public market. In addition, a Fund will likely be prohibited by contract from selling portfolio company securities for a period of time. Therefore, disposition of such investments may require a lengthy time period or may result in distributions in kind to investors, and it is unlikely that there will be near-term cash flow available to the limited partners.

Nature of Debt Securities. The debt securities in which a Fund may invest may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability of a Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors. In addition, these securities may not be protected by financial covenants or limitations upon early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by such Fund earlier than expected. Furthermore, a Fund may provide commitments and capital for interim financing such as bridge loans, which will, in most cases, be made in highly leveraged transactions. In addition to the risk and uncertainties associated with any debt investments, a bridge loan may not be repaid or refinanced as scheduled, and the bridge loan may become part of the permanent capital structure of the borrower. Accordingly, there can be no assurance that any Fund will attain its targeted returns.

Nature of Investments in Leveraged Companies. A Fund's investments may include portfolio companies whose capital structures have significant leverage. The leveraged capital structure of portfolio companies will increase the exposure of these companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio company or the industry. Because the securities in which a Fund will invest will likely be among the most junior in a portfolio company's capital structure, the inability of a portfolio company to service its debt obligations could result in a reduction or a loss of Windjammer Management's investment.

Operating Risks of Portfolio Companies. Although each Fund plans to invest in high quality companies, there is still a risk that its portfolio companies could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, a change in business or industry conditions or an economic downturn. As a result, portfolio companies expected by a Fund to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

Investments in Distressed Companies. A portion of a Fund's investments may involve turnaround or under-performing companies or companies in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investments in them may involve increased credit and business risk.

Reliance on Portfolio Company Management. While Windjammer Management will actively monitor each investment, it is primarily the responsibility of company management to operate a portfolio company on a day-to-day basis and a Fund will not generally have the right to exert significant influence on the portfolio company. While each Fund will seek investments in companies that have proven management teams, there can be no assurance that such management will produce the expected results or will remain with the companies. In addition, certain of a Fund's investments may be in businesses with little or no operating history.

Risks Upon Disposition of Investments. In connection with the disposition of an investment, each Fund will be required to make representations about the business and financial

affairs of the company being sold, or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements will expose any such Fund to contingent liabilities that ultimately might yield funding obligations that must be satisfied by the limited partners to the extent required.

Dependence upon Key Personnel. The success of any Fund will be highly dependent on the financial and managerial expertise of Windjammer Capital Investors' investment professionals, particularly its principals. The investment professionals are under no contractual obligation to remain with Windjammer Capital Investors for all or any portion of the term of any Fund. The loss of one or more of such principals could have a material adverse effect on the performance of a Fund.

Leverage at the Fund Level. Although Windjammer Capital Investors historically has not applied leverage to its investment programs of its existing funds, Funds III and IV have the ability to utilize leverage at the fund level. Moreover, the relevant General Partner may borrow funds on behalf of a Private Investment Fund and contribute such borrowed amounts to such Private Investment Fund as a special capital contribution for investment, to be redeemed at a later date, such as to provide short-term financing prior to receiving amounts in connection with a capital call. Any such borrowing has the effect of increasing the amount of leverage to which such Private Investment Fund is subject. Leverage generally would magnify both a Fund's opportunities for gain and its risk of loss from its investment activities. The use of leverage would also result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund and may result in unrelated business taxable income.

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

Non-U.S. Investment Risks. A Fund may invest a portion of its committed capital in investments outside the United States. Such non-U.S. investments involve certain factors not typically associated with U.S. investments, including risks related to (i) currency exchange matters, including exchange rate fluctuations between the U.S. Dollar and the foreign currency in which investments in such Fund's portfolio are denominated, and costs associated with conversion of investment proceeds and income from one currency to another; (ii) differences between U.S. and foreign capital markets, including the absence of uniform accounting, auditing, financial reporting and legal standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including exchange control regulations and restrictions on foreign investments and repatriation of capital, the risks of political, economic or social instability; and (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such investments.

Hedging Risks; Intermediary Risks. In order to reduce the risk of adverse movements in currency exchange rates and securities prices in connection with its investments, a Fund may employ hedging techniques through the purchase of swaps, derivatives and other similar instruments. There can be no guarantee that suitable hedging instruments will be available when a Fund wishes to use them or that a position in a hedging instrument will protect against a loss.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund, its portfolio companies or its limited partners.

Conflicts of Interest

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Windjammer Capital Investor principals through such Fund, subject to certain limited exceptions. Without limitation, Windjammer Capital Investor principals currently manage multiple Funds in their commitment periods, and manage several other investments similar to those in which any such Fund has invested or will be investing, and may direct certain relevant investment opportunities to those investments. Windjammer Capital Investors' principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments Windjammer Capital Investor principals may control may potentially compete with companies acquired by a Fund. To the extent a Fund holds securities that are different (or more senior or junior) than those held by another fund managed by Windjammer Capital Investors or its affiliates, the interests of the funds may be in conflict, such as in a bankruptcy proceeding.

From time to time, Windjammer Management will be presented with investment opportunities that would be suitable for multiple Private Investment Funds and other investment vehicles operated by advisory affiliates of Windjammer Management. In determining which investment vehicles should participate in such investment opportunities, Windjammer Management and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Windjammer Management attempts to resolve such conflicts of interest in light of its obligations to investors in its Private Investment Funds and the obligations owed by Windjammer Management's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among each such Private Investment Fund and such investment vehicles in a fair and equitable manner. Where necessary, Windjammer Management consults and receives consent to conflicts from the Advisory Board.

The day-to-day management of each Fund will remain the responsibility of Windjammer Management, the relevant General Partner, and certain of the other Advisers. The officers and employees of Windjammer Management and its affiliates will devote such time as Windjammer Management, in its sole discretion, deems necessary to carry out the operations of such Fund effectively. The officers and employees of each Fund are expected to spend a significant portion of their time on matters not specifically related to such Fund, including matters related to existing and future Private Investment Funds. As a result of the foregoing, conflicts of interest will arise, including in allocating management time, among such Funds.

Because each General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for Windjammer Management to cause a Fund to make riskier or more speculative investments than would otherwise be the case in the absence of this arrangement. In addition, the method of calculating a General Partner's carried interest may result in conflicts of interest with respect to the management and disposition of investments, including with respect to the timing of dispositions.

The limited partners of each Fund are expected to include taxable and tax-exempt entities and may include persons or entities from jurisdictions outside of the United States. Such persons may have conflicting tax and other interests with respect to their investment in such Fund. As a consequence, conflicts of interest will arise in connection with decisions made by Windjammer Management that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations, including with respect to the making or financing of investments. In the selection and financing of a Fund's investments, Windjammer Management will consider the investment and tax objectives of such Fund and the limited partners as a whole, and not the investment, tax or other objectives of any limited partner of such Fund individually.

DISCIPLINARY INFORMATION

Windjammer 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

Windjammer Management is affiliated with the other Advisers, which are registered with the SEC under the Advisers Act pursuant to Windjammer Management's registration in accordance with SEC guidance. The Advisers operate as a single advisory business, 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

Windjammer Management has adopted the Windjammer Capital Investors Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Windjammer Capital Investors principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Windjammer Capital Investors personnel to report their personal securities transactions, prohibits or requires pre-clearance for Windjammer Capital Investors personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Windjammer Capital Investors personnel from directly or indirectly acquiring beneficial ownership of securities identified by Windjammer Management as "Restricted" with limited exceptions, without first obtaining approval from the Windjammer Capital Investors Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to Jeffrey J. Dunnigan, the Windjammer Capital Investors Chief Compliance

Officer, at (949) 721-9944. 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.

Windjammer Management and its 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, Windjammer Management and its 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 Windjammer Management.

Accordingly, should Windjammer Management or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Windjammer Management would be prohibited from communicating such information to clients, and Windjammer Management 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 Windjammer Capital Investors personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Windjammer Management and its affiliates may directly or indirectly own an interest in Private Investment Funds, including Fund III, Fund IV and/or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund.

A Private Investment Fund may invest together with other private investment funds advised by an affiliated adviser of Windjammer Management in the manner set forth in the relevant Partnership Agreement. Windjammer Management will determine the allocation of investment opportunity in a manner that it believes is fair and equitable to its clients consistent with Windjammer Management's obligations and may take into consideration factors such as the following: conflicts provisions in the relevant operating documents; investment and operating guidelines; diversification limitations; tax and regulatory considerations; minimum dollar limits; and other relevant factors, including risk.

Windjammer Management and its 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 a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, such Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Private Investment Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Private Investment Funds or may give priority with respect to investments to such Private Investment Funds. Some of these restrictions could be waived by investors (or their representatives) in such Private Investment Funds.

BROKERAGE PRACTICES

Windjammer Management focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Windjammer Management 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 Windjammer Management has not and does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Windjammer Management sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Windjammer Management. In such event, Windjammer Management will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Windjammer Management 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.

Windjammer Management has 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 Windjammer Management generally seeks competitive commission rates, it 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 Windjammer Management seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Windjammer Management generally does not make use of such broker services at the current time and has not made use of such broker services since its inception. Such broker 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 Windjammer Management’s 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 Windjammer Management, 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 between Windjammer Management and its affiliates.

Windjammer Management has not engaged and does not anticipate engaging in significant public securities transactions; however, to the extent that Windjammer Management engages 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, Windjammer Management may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, Windjammer Management may, but is 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 Windjammer Management 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 Private Investment 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, Windjammer Management closely monitors companies in which the Private Investment Funds invest, and the Windjammer Capital Investors 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 its limited partners (i) annual audited financial statements, (ii) annual tax information and (iii) quarterly investment reports providing a summary update of each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

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

Although it has not done so to date, from time to time Windjammer Management may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Private Investment Fund. Any fees and expenses payable to any such placement agents would be borne by Windjammer Management indirectly through an offset against the Management Fee.

CUSTODY

Windjammer Management maintains custody of each Fund's assets held in such Fund's name with the following qualified custodian: Bank of New York Mellon, One Wall Street, 3rd Floor – Receive Window C, New York, NY 10286 and U.S. Bank, 4100 Newport Place, Newport Beach, CA 92660.

INVESTMENT DISCRETION

Windjammer Management and its affiliates have discretionary authority to manage investments on behalf of each Fund. As a general policy, Windjammer Management does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, Windjammer Management may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund 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. Windjammer Management and its affiliates assumes this discretionary authority pursuant to the terms of the relevant Partnership Agreement and powers of attorney executed by the limited partners of each relevant Fund.

VOTING CLIENT SECURITIES

Windjammer Management has adopted the Windjammer Capital Investors Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for any Private Investment Fund's portfolio investments. The Proxy Policy seeks to ensure that Windjammer Management votes proxies (or similar instruments) in the best interest of each Fund, including where there may be material conflicts of interest in voting proxies. Windjammer Management generally believes its interests are aligned with those of a Fund's investors through the principals' beneficial ownership interests in such Fund and therefore will not seek investor 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 Windjammer Management may address the conflict using several alternatives, including by seeking the approval or concurrence of the Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Advisory Board may approve Windjammer Management's vote in a particular solicitation. Windjammer Management does not consider service on portfolio company boards by Windjammer Management personnel or Windjammer Management's 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 Windjammer Management when voting proxies on behalf of any Fund. If you would like a copy of the Windjammer Management's complete Proxy Policy or information regarding how Windjammer Management voted proxies for particular portfolio companies, please contact Jeffrey J. Dunnigan, the Windjammer Capital Investors Chief Compliance Officer, at (949) 721-9944, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Windjammer 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 PRINCIPALS OF WINDJAMMER III

Robert (Bob) Bartholomew

Educational Background and Business Experience

Mr. Bartholomew, born December 7, 1946, is the Chief Investment Officer and provides the overall strategic direction for Windjammer Capital Investors. He co-founded Pacific Mezzanine Investors, the predecessor firm to Windjammer Capital Investors, in 1990. Previously, Mr. Bartholomew was affiliated with Pacific Life Insurance Company from 1986 to 1990, the preeminent life insurance company in California, making a wide variety of investments. Prior to that, he spent ten years with the Bank of Boston specializing in middle-market, multinational, high technology lending and also ran a Bank of Boston subsidiary bank, Bank of Boston International, Los Angeles. He is currently a board member of Automatic Bar Controls, BBB Industries, and Infinite RF Holdings. He has also held board positions at a number of companies, including Cable Design Technologies, Corrections Corporation of America, Save Mart Supermarkets and S.T. Specialty Foods. Mr. Bartholomew earned a B.A. in Economics and an M.B.A. in Finance from Rutgers University.

Disciplinary History

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

Other Business Activities

Mr. Bartholomew is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

Additional Compensation

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

Supervision

As the Chief Investment Officer of Windjammer Capital Investors, Mr. Bartholomew is part of a team that is responsible for implementing and overseeing the investment strategy of the Funds. While Mr. Bartholomew is not directly supervised by any one individual, all Windjammer Capital Investors personnel ultimately report to the management committee of the general partner of Windjammer Management. The management committee is comprised of Mr. Bartholomew and Mr. Littas.

Costa Littas

Educational Background and Business Experience

Mr. Littas, born February 11, 1956, is a Managing Principal of Windjammer Capital Investors. Prior to joining Windjammer Capital Investors in February 2001, Mr. Littas was employed at Butler Capital Corporation (“BCC”), a private equity and mezzanine firm, most recently as a General Partner and Managing Director. While at BCC, he managed the firm’s investment staff and was personally involved in sourcing, analyzing, negotiating and managing portfolio investments. Prior to joining BCC, he worked at Bank of Boston for eleven years, most recently as General Manager of the Bank’s Midwest office in Chicago, where he was responsible for a staff of eleven professionals, providing financing for middle-market leveraged buyouts. Mr. Littas is a graduate of Georgetown University and the University of Chicago Graduate Business School. He is currently a board member of Protective Industries and JWC Environmental. He has also held board positions at a number of companies, including Rotex Global, Symmetry Medical (observation rights), Schutt Holdings, National School Supply, CT Farm and Country, and Contech Construction Products.

Disciplinary History

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

Other Business Activities

Mr. Littas is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

Additional Compensation

Mr. Littas does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to receive vested carried interest amounts from his tenure at BCC.

Supervision

As a Managing Principal of Windjammer Capital Investors, Mr. Littas is part of a team that is responsible for implementing and overseeing the investment strategy of the Funds. While Mr. Littas is not directly supervised by any one individual, all Windjammer Capital Investors personnel ultimately report to the management committee of the general partner of Windjammer Management. The management committee is comprised of Mr. Bartholomew and Mr. Littas.

Jeff Mieke

Educational Background and Business Experience

Mr. Mieke, born July 15, 1969, is a Managing Director of Windjammer Capital Investors. Prior to joining Windjammer Capital Investors in February 2007, Mr. Mieke was a Principal with Industrial Growth Partners, a private equity firm focused exclusively on the manufacturing

sector, where he was also a member of the Investment Committee. Mr. Mieke is a graduate of Stanford University and has a BS in Industrial Engineering. Jeff currently serves on the boards of BBB Industries and Infinite RF Holdings and JWC Environmental. He was formerly on the boards of AmerCable, Jonathan Engineered Solutions, The Felters Company, Weasler Engineering, and Airpax Holdings.

Disciplinary History

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

Other Business Activities

Mr. Mieke is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

Additional Compensation

Mr. Mieke does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to receive vested carried interest amounts from his tenure at IGP.

Supervision

As a Managing Director of Windjammer Capital Investors, Mr. Mieke is part of a team that is responsible for implementing and overseeing the investment strategy of the Funds. While Mr. Mieke is not directly supervised by any one individual, all Windjammer Capital Investors personnel ultimately report to the management committee of the general partner of Windjammer Management. The management committee is comprised of Mr. Bartholomew and Mr. Littas.

J. Derek Watson

Educational Background and Business Experience

Mr. Watson, born January 17, 1970, is a Managing Director of Windjammer Capital Investors. Prior to joining Windjammer Capital Investors in August 2000, Mr. Watson was a Vice President with the Leveraged Finance Group of Bank of America in Los Angeles where he was responsible for origination, structuring and closing financings for middle-market leveraged buyouts, leveraged acquisitions and recapitalizations. Mr. Watson graduated summa cum laude from the University of California, Los Angeles with an M.B.A. in Finance and received a BA from the University of California, Santa Barbara. He currently serves on the boards of Automatic Bar Controls and BBB Industries and was formerly on the boards of Medtech Holdings, MacLean Power Systems, and Athena Diagnostics (observation rights).

Disciplinary History

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

Other Business Activities

Mr. Watson is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

Additional Compensation

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

Supervision

As a Managing Director of Windjammer Capital Investors, Mr. Watson is part of a team that is responsible for implementing and overseeing the investment strategy of the Funds. While Mr. Watson is not directly supervised by any one individual, all Windjammer Capital Investors personnel ultimately report to the management committee of the general partner of Windjammer Management. The management committee is comprised of Mr. Bartholomew and Mr. Littas.

Gregory J. Bondick

Educational Background and Business Experience

Mr. Bondick, born June 5, 1970, is a Managing Director of Windjammer Capital Investors. Prior to joining Windjammer Capital Investors in March 2000, Mr. Bondick worked at Prudential Capital's Corporate Finance Group in Dallas, Texas where he was responsible for origination, structuring and managing private debt and equity investments in companies located in the Southwest. Mr. Bondick received his BA from the University of Texas at Austin and holds the Chartered Financial Analyst designation. He currently serves on the boards of HSC Acquisition, Maxcess International Corporation and Protective Industries. He was formerly on the boards of S.T. Specialty Foods and Rotex Global, Inc.

Disciplinary History

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

Other Business Activities

Mr. Bondick is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

Additional Compensation

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

Supervision

As a Managing Director of Windjammer Capital Investors, Mr. Bondick is part of a team that is responsible for implementing and overseeing the investment strategy of the Funds. While Mr. Bondick is not directly supervised by any one individual, all Windjammer Capital Investors

personnel ultimately report to the management committee of the general partner of Windjammer Management. The management committee is comprised of Mr. Bartholomew and Mr. Littas.