

**INVESTMENT ADVISER BROCHURE
FORM ADV PART 2A**

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.

MATERIAL CHANGES

Windjammer Management filed its annual amendment on March 24, 2017. This other-than-annual amendment reflects the addition of a general partner entity affiliated with Windjammer Management.

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ADVISORY BUSINESS

Windjammer Capital Investors is a private investment management firm, including several investment advisory entities and other organizations affiliated with Windjammer Management (collectively, “**Windjammer Capital Investors**”), that manages approximately \$927 million in private fund assets. Windjammer Capital Investors commenced operations in October 1990.

Windjammer Management, a Delaware limited partnership and a registered investment adviser, together with its affiliated investment advisers, provides investment advisory services to investment funds privately offered in the United States and elsewhere. Windjammer Management commenced operations in November 2011.

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

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

The following are the general partner entities affiliated with Windjammer Management:

- Windjammer Capital Partners, LLC (“**WCP**”);
- Windjammer Capital Investors, LLC (“**WCI**”);
- Windjammer Capital Investors III, LLC (“**WCI III**”);
- Windjammer Capital Investors IV, L.P. (“**WCI IV**”); and
- Windjammer Capital Investors V, L.P. (“**WCI V**,” and together with WCP, WCI, WCI III and WCI IV, the “**General Partners**,” and the General Partners, together with Windjammer Management, the “**Advisers**”).

Each other General Partner is subject to 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 the Advisers, which collectively operate as a single advisory business.

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 generally referred to herein as “**portfolio companies**.” The Advisers’ investment advisory services to their respective Funds consist of identifying and

evaluating investment opportunities, negotiating the terms of 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 generally serve on such portfolio companies' respective boards of directors or otherwise influence the management of portfolio companies held by a Fund.

The Advisers' advisory services to the Funds are detailed in the applicable private placement memoranda, investment management agreements and limited partnership agreements or governing documents (each, a "**Partnership Agreement**") and are further described below under "**Methods of Analysis, Investment Strategies and Risk of Loss.**" In performing investment advisory services for the Funds, the General Partners have retained Windjammer Management to provide advisory personnel and services. Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds and the General Partners generally enter into "side letters" or other similar arrangements ("**Side Letters**") with certain investors that have the effect of establishing rights (including economic or other material rights) under, or altering or supplementing the terms of, the respective Funds' Partnership Agreements with respect to such investors.

Additionally, from time to time, and as permitted by the relevant Partnership Agreement, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain investors or other persons, including other sponsors, market participants, finders, Strategic Consultants (as defined below), other consultants and other service providers, the Advisers' principals, personnel and/or certain other persons associated with the Advisers and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment, subject to certain exceptions set forth in the relevant Partnership Agreement of such Fund. However, from time to time, for strategic and/or other reasons, a co-investor (or co-invest vehicle) may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor (or co-invest vehicle) generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Advisers' sole discretion, the Advisers are authorized to charge interest and/or fees on the purchase to the co-investor (or co-invest vehicle) to compensate the relevant Fund for the holding period, and to seek reimbursement to the relevant Fund for related costs.

As of December 31, 2016, Windjammer Management and its affiliates managed approximately \$927 million in client assets on a discretionary basis. Windjammer Management is ultimately owned and controlled by Costa Littas and Robert Bartholomew.

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 the Funds and such additional compensation, other than most director fees, 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 pays 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 paid the Management Fee retroactive to the effective date. Upon the occurrence of certain events specified in 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 pays Windjammer Management, quarterly in advance, a Management Fee based on a percentage of aggregate Fund III investor Commitments. In accordance with Fund III’s Partnership Agreement, following the commencement of investment in Fund IV, the Management Fee was reduced to 1.0% per annum of (a) the aggregate funded Commitments with respect to investments held by Fund III on the calculation date, reduced by (b) investments that have been written off as worthless. The Management Fee amount will not be less than \$150,000 until July, 2018. 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 paid Windjammer Management, quarterly in advance, a Management Fee originally equal to 1.625% per annum of aggregate Fund II investor Commitments, but in accordance with the Fund II Partnership Agreement, the Management Fee was 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 off as worthless. Prior to December 31, 2014, the Management Fee amount was not 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. Subsequent to December 31, 2014, Fund II did not pay a Management Fee to Windjammer Management.

Subject to variations in the Partnership Agreements, each Fund's Management Fee will be reduced in part by an offsetting credit for **"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, including transactional consulting compensation, but excluding Strategic Consultants (as described below) and directors' fees (whether in cash, securities or otherwise, as described below) paid by a portfolio company or a potential portfolio company to Windjammer Management, the relevant General Partner or 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 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, and if a credit remains upon liquidation, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). 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"**). Supplemental Fees earned are governed by the relevant Partnership Agreement and/or Side Letter(s) and generally are reported annually to the relevant Fund advisory board (the **"Advisory Board"**) and disclosed in the aggregate in the annual audited financial statements of each Fund.

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 profit, subject to Fund limited partners having 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. It is expected that any future Funds will have a similar fee structure.

Other Information

The Advisers are permitted to exempt certain investors in the Funds (*e.g.*, "affiliated partners") from payment of all or a portion of Management Fees and/or carried interest, including the Advisers and any other person designated by the Advisers. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Advisers and/or their affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Windjammer Management professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement or as may be approved by the relevant Advisory Board, the Advisers

have the right to permit their principals, personnel and certain other persons, affiliated with an Adviser or otherwise, to make direct co-investments or invest through the relevant General Partner or other vehicles (including co-investment vehicles or other structures) alongside one or more Funds in certain portfolio investments made by the Funds. Such investments do not bear Management Fees or carried interest.

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 generally 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 related to the Fund's activities, investments and business to the extent not paid by portfolio companies, including: all costs, expenses, liabilities and obligations attributable to acquiring, holding and disposing of the Funds' investments; legal, custodial, auditing and accounting expenses; fees and expenses for special consulting services relating to portfolio investments; Advisory Board expenses; liability insurance premiums; costs of partners' meetings and related meal and entertainment expenses; Broken Deal Expenses (including Broken Deal Expenses relating to transactions that have been offered to co-investors (other than Broken Deal Expenses paid by certain co-investing members of the Fund's General Partner); valuation expenses; registration expenses and brokerage fees and expenses (incurred in accordance with the practices set forth in "**Brokerage Practices**"); finder's fees; indemnity, judgment and settlement expenses; interest; cost of financings, appraisals, and derivative transactions; borrowing costs to finance investments; taxes, fees and other governmental charges levied against, or attributable to, the Fund (including any SEC user fees or similar fees or charges imposed on such Fund, its Adviser, its General Partner or any of their respective affiliates); travel expenses (including, where appropriate, meal and entertainment expenses); 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 (including tax returns and Schedule K-1s); filings and other administrative service fees and expenses; and other similar fees and expenses. 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). As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Windjammer Management's related policies and the relevant Partnership Agreement(s) and/or

Side Letter(s). Where a co-investment vehicle is formed, such entity will generally bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in or committed to a co-investment or other vehicle in connection with such transaction, such co-investor or vehicle is expected to bear its share of such Broken Deal Expenses.

The Advisers and/or their affiliates generally have discretion over whether to charge transaction fees, monitoring fees, board of directors fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Advisers and/or their affiliates on the other hand.

Strategic Consultants

Additionally, as described more fully in the applicable private placement memorandum and/or Partnership Agreement of each Fund, certain consulting firms and/or individual consultants “**Strategic Consultants**” provide transaction-specific and post-transaction operational consultative services to (or with respect to) current or prospective portfolio companies in which one or more Funds may invest. Such Strategic Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. In connection with such services, such Strategic Consultants generally receive cash fees, retainers, transaction fees, carried interest and other compensation from such portfolio companies, the Funds and/or the Advisers, as well as the opportunity for Strategic Consultants or their affiliates to make fee-paying or fee-free minority equity investments and/or receive a profits interest in one or more portfolio company, Fund and/or General Partner. Strategic Consultants generally provide certain services to one or more Funds pursuant to a contract, and any other services provided to a portfolio company that are not specified in such contract (*e.g.* service on a board or executive management services) generally will be borne directly by the applicable portfolio company and will be in addition to any payments under such contract. Strategic Consultant compensation typically is determined according to one or more methods, including the value of the anticipated time (including an allocation for overhead and other fixed costs) of such Strategic Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Strategic Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. Such compensation generally will not reduce or offset Management Fees payable to Windjammer Management by the relevant Fund(s). Such compensation is not otherwise covered by the Management Fees. The use of Strategic Consultants subjects the Advisers to conflicts of interest, as discussed under “**Conflicts of Interest**,” below.

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 may also advise certain Funds formed as co-investment vehicles that are not subject to, or are subject to a different, carried interest and/or Management Fee. This practice could present a conflict of interest because Windjammer Management or such affiliate has an incentive to favor accounts for which it receives the highest performance-based compensation. Windjammer Management or such affiliate seeks to address the potential for conflicts of interest in this area by investing on behalf of such entities in accordance with its Investment Allocations/Co-Investment Policy that provides that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Partnership Agreements, as well as other factors that do not include the amount of performance-based compensation received.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the General Partners generally consider performance-based compensation to better align their interests with those of their investors.

TYPES OF CLIENTS

Windjammer Capital Investors provides investment advice to the 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 the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, 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 and members of their families, Strategic Consultants and/or other service providers retained by Windjammer Management.

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

The description of Windjammer Capital Investors’ investment activities contained herein is general in nature and is subject in its entirety to the description of Windjammer Capital Investors’ (or its affiliate’s) investment activities with respect to the relevant Fund as set forth in such Fund’s Partnership Agreement and/or private placement memorandum, which may in certain cases differ from or be more detailed than the description herein.

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 Capital Investors typically seeks control investments, though in some cases it may make non-control investments in companies meeting its investment criteria, and may provide subordinated debt to companies in certain scenarios. Windjammer Capital Investors remains committed to the middle market (defined as companies generating earnings before interest, taxes, depreciation and amortization of approximately \$5 million to \$50 million).

Once a company is part of Windjammer Capital Investors' investment portfolio, the firm deploys significant internal resources, including the firm's senior professionals, and well-developed operations consulting relationships, to assist management in seeking to optimize the company's revenue growth, profitability and strategic value.

Windjammer Capital Investors thoroughly evaluates and analyzes potential exit opportunities before making an investment and updates its analysis throughout the investment holding period. When Windjammer Capital Investors deems it to be in the best interests of the relevant Fund, it causes such Fund to exit a given investment, generally through a sale to a strategic or financial buyer, though in certain cases it may cause a Fund to exit a given investment through an initial public offering.

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

Investment and Operating Strategy

Quality-Focused Investment Selection. Windjammer Capital Investors is committed to investing in leading, niche middle-market businesses with differentiated and difficult-to-replicate operating attributes. Each Fund generally 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; and (v) historically generated benchmark return on net assets. Windjammer Capital Investors applies quality standards in deal generation and due diligence, across varying capital market cycles, deploying capital only when it is convinced that an opportunity meets its well-defined investment criteria.

Value-Add Investment Strategy. Post-closing, Windjammer Capital Investors is an active, hands-on investor that works closely with portfolio company management to develop and execute a set of customized "**Performance Enhancement Initiatives**" that are captured in a series of timeline objectives - 100-day plan and subsequent annual goals that build on prior year's performance. These customized initiatives typically are focused on: (i) driving sales growth and market share expansion; (ii) implementing operational improvements and profitability enhancements; and (iii) strengthening management teams and boards.

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.

Business Risks. Each Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

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. However, the limited partners will be required to bear Management Fees and other expenses as set forth in the Partnership Agreement.

Concentration or Limited Number of Investments. A Fund may participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of such Fund may be substantially adversely affected by the unfavorable performance of even a single investment or a single industry segment.

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

Dynamic Investment Strategy. While the General Partners generally intend to seek attractive returns for the Funds primarily through making control-oriented equity and subordinated debt investments as described herein, a General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partners may pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

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 investment, 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 such Fund'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 experience financial distress.

Distressed Investments. A portion of a Fund's investments may involve turnaround or under-performing companies or companies in need of additional capital. A Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk including credit and business risk, which is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that Windjammer Management will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

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 the 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 Fund and contribute such borrowed amounts to such 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 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.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of

credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Funds' investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the related Funds' investments that are not readily marketable based on Windjammer Management's Valuation Policy, which includes ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Cybersecurity Risks. History has illustrated the ongoing cybersecurity risks to which all operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Windjammer Capital Investors or one of its service providers holding its financial or investor data, Windjammer Capital Investors, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks.

Conflicts of Interest

Windjammer Management and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, accounting,

management and other services to Funds and portfolio companies. Windjammer Management will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Fund may conflict with the interests of the Advisers, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Windjammer Management will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Windjammer Capital Investors' principals through such Fund, subject to certain limited exceptions. Without limitation, Windjammer Capital Investors' principals currently manage, and expect in the future to manage, several other investments and Funds 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; however they are expected to spend a significant portion of their time on matters not specifically related to a particular Fund, including matters related to other existing Funds and future Funds. Such other investments Windjammer Capital Investors' principals may control may potentially compete with companies acquired by a Fund.

From time to time, Windjammer Management will be presented with investment opportunities that would be suitable for multiple 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. Investments by more than one client of Windjammer Management in a portfolio company may also raise the risk of using assets of a client of Windjammer Management to support positions taken by other clients of Windjammer Management.

Windjammer Management must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Windjammer Management generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement (including conflicts of interest provisions), investment and operating guidelines, diversification limitations, tax and regulatory considerations, investment restrictions and other relevant factors, including risk. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. Additionally, a Fund generally may invest together with other private investment funds advised by an affiliated adviser of Windjammer Management to the extent, in the manner and subject to any restrictions set forth in the relevant Partnership Agreement(s) and Windjammer Management's allocation policy. Windjammer Management will determine the allocation of each 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 those set forth herein.

Following such determination of allocation among Funds, Windjammer Management will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' Partnership Agreements, Side Letters and Windjammer Management's procedures regarding allocation. Windjammer Management's procedures permit it to take into consideration a variety of factors in making co-investment determinations, including but not limited to: expressed interest in co-investment opportunities; knowledge and experience in financial and business matters necessary to make the prospective co-investor capable of evaluating the merits and risks of the prospective investment; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory and/or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the Windjammer Management's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Windjammer Management's ability to execute the relevant transaction in the desired time or on desired terms; the size of the investment allocation available, and the practicality of splitting the allocation into smaller tranches (such that co-investments below certain thresholds, e.g., \$5 million, may be allocated to a single co-investor); the ability of the co-investor to invest an amount of capital that is consistent with the needs of the investment; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; whether the co-investor is considered "strategic" to the investment because it is able to offer a Fund or Windjammer Management certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether Windjammer Management believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to a Fund or Windjammer Management; whether the co-investor has a history of consummating co-investment opportunities with Windjammer Management; whether the co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the likelihood that the co-investor would require governance rights; whether the co-investor has any interests in any competitor of the underlying investment; the size of the co-investor's interest to be held in the underlying portfolio company as a result of a Fund's investment; whether the co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction and other appropriate factors.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Windjammer Management or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other limited partners. When and to the extent that employees and related persons of Windjammer Management and its affiliates make capital investments in or alongside certain Funds, Windjammer Management and its affiliates are subject to conflicting interests in connection with these investments. There can

be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Windjammer Management's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Windjammer Management will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Windjammer Management may be subject, discussed herein, did not exist.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Windjammer Management in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Windjammer Management may face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Windjammer Management may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. Windjammer Management intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness without undue favoritism over time.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Advisers and their affiliates may express inconsistent views of commonly held

investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-investment vehicles eligible to reimburse expenses of that kind. In all such cases, subject to the Partnership Agreements, expense allocation decisions will generally be made by Windjammer Management or its affiliates in a manner they believe in good faith is fair and equitable to their clients under the circumstances, using their best judgment and considering such factors as they deem relevant, but in their sole discretion. In exercising such discretion, Windjammer Management may be faced with a variety of potential conflicts of interest, and the allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on the number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, the Advisers and/or their affiliates typically have the right to appoint board members to such portfolio companies (including certain of the Advisers' or its affiliates' senior personnel and Strategic Consultants who, in some instances simultaneously serve, and receive compensation, as a consultant for such portfolio company), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to an Adviser, its affiliates and/or Strategic Consultants. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Windjammer Management and/or its Strategic Consultants, and are subject to the applicable Partnership Agreement(s).

Additionally, a portfolio company typically will reimburse Windjammer Management or service providers retained at Windjammer Management's discretion for expenses (including without limitation travel expenses and, where appropriate, meal and entertainment expenses) incurred by the Advisers or such service providers in connection with its performance of services for such portfolio company. This subjects Windjammer Management and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Windjammer Management determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Advisers or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Windjammer Management generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Windjammer Management or a related person of Windjammer Management (which may include a portfolio company of such Fund), (ii) an entity with which Windjammer Management or its affiliates or current or former members of their personnel has a relationship or from which Windjammer Management or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, Windjammer Management may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects Windjammer Management to conflicts of interest, because although Windjammer Management selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Windjammer Management may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Windjammer Management, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Windjammer Management), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Windjammer Management has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Advisers and/or their affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Windjammer Management and/or its affiliates; conversely, former personnel or executives of Windjammer Management and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Windjammer Management. Similarly, Windjammer Management, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers (including Strategic Consultants) and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Windjammer Management and/or its affiliates, and/or the Funds or other investment vehicles they advise. Windjammer Management may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Windjammer Management information about markets and industries in which Windjammer Management operates (or is contemplating operations) or will provide other services that are beneficial to Windjammer Management. Windjammer Management may have a conflict of interest in making such recommendations, in that Windjammer Management has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Windjammer Management, its affiliates, and equity holders, officers, principals and employees of Windjammer Management and its affiliates may buy or sell securities or other instruments that Windjammer Management has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to the policies and procedures set forth in Windjammer Management's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Windjammer Management including Strategic Consultants have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Windjammer Management, are reimbursed by a Fund and/or its portfolio companies, Windjammer Management will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Windjammer Management may cause one or more Funds to retain Strategic Consultants (including such Strategic Consultants in which persons affiliated or otherwise associated with an Adviser or its affiliates have a significant ownership interest or other relationship) for specified services in exchange for an annual fee. In certain instances, the Advisers and/or their personnel and affiliates may serve simultaneously in multiple roles, including as board members, consultants or in other capacities, with respect to a particular portfolio company. In addition, portfolio companies may from time to time pay certain fees to third party consultants (including Strategic Consultants or other persons introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more portfolio companies), and such fees generally will be in addition to fees paid by the Funds, and similarly do not offset the Management Fee. Although the foregoing relationships subject the Advisers and/or their affiliates to potential conflicts of interest, the Advisers believe that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of Strategic Consultants is lower than market rates for the services provided and/or if the services of Strategic Consultants align with Windjammer Management's model for the portfolio company and improve portfolio company performance. Although the Advisers seek to retain Strategic Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The Advisers also seek to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Advisers believe will align such persons' interests with those of the Funds' limited partners, and seek to retain only Strategic Consultants and service providers which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because 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 and the valuation of investments, including the timing of investment write-downs and/or write-offs.

The Advisers and/or their affiliates may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

The limited partners of each Fund 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.

Any of these situations subjects Windjammer Management and/or its affiliates to potential conflicts of interest. Windjammer Management attempts to resolve such conflicts of interest in light of its obligations to investors in its 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 a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Windjammer Management will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers notify and/or consult and receive consent to conflicts and/or potential conflicts from an Advisory Board consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

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 (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, requires preclearance for Windjammer Capital Investors personnel seeking to directly or indirectly acquire 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 one or more 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.

Co-investment opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, including Strategic Consultants, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “**Methods of Analysis, Investment Strategies and Risk of Loss.**”

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 Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such 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 Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Windjammer Management, and brokerage commissions

paid by one Fund may apply towards payment for research services that might not be used in the service of such 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 the Funds are completed independently, Windjammer Management may also purchase or sell the same securities or instruments for several 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 Fund of Windjammer Management is favored over any other Fund. When an aggregated order is filled in its entirety, each participating 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 Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each 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 the Funds over time.

In Windjammer Management’s private company securities transactions on behalf of the Funds, Windjammer Management may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Windjammer Management may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Windjammer Management generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Windjammer Management closely monitors companies in which the Funds invest, and the Windjammer Capital Investors Chief Compliance Officer periodically checks to confirm that each 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.**"

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 Fund. Any fees payable to any such placement agents would 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: 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 and/or its affiliates may enter into Side Letters 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; however, such Side Letters generally do not limit a Fund's overall investments. Windjammer Management and its affiliates assume 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 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 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 CAPITAL INVESTORS
FORM ADV PART 2B**

Costa Littas

Educational Background and Business Experience

Mr. Littas is 61 years of age and 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, Illinois, 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 Engineered Controls International, and Global Claims Services. He previously held board positions at a number of companies, including JWC Environmental, Protective Industries, Rotex Global, Symmetry Medical (observation rights), Schutt Holdings, National School Supply, Extrusion Dies Inc., 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 hold vested carried interest amounts from his tenure at BCC.

Supervision

Mr. Littas is responsible for the management of Windjammer Capital Investors. In addition, as a Managing Principal of Windjammer Capital Investors, Mr. Littas is responsible for implementing and overseeing the execution of the investment strategy of the Funds. Mr. Littas is a member of the management committee (the “**Management Committee**”) of Windjammer Management’s general partner, and is also a member of the investment committees of WCI, WCI III, WCI IV and WCI V.

Robert (Bob) Bartholomew

Educational Background and Business Experience

Mr. Bartholomew is 70 years of age and is a Managing Principal of 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 (“**Pacific Life**”) from 1986 to 1990, during which he made a wide variety of investments on Pacific Life’s behalf. Prior to that, he spent 10 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 previously held board positions at a number of companies, including Cable Design Technologies, Corrections Corporation of America, Sleepmaster, Shari’s Management Corporation, PCA Parking Company of America, Suiza Food, Save Mart Supermarkets, S.T. Specialty Foods, Automatic Bar Controls, Infinite RF Holdings and BBB Industries. 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 a Managing Principal of Windjammer Capital Investors, Mr. Bartholomew is responsible for implementing and overseeing the execution of the investment strategy of the Funds. Mr. Bartholomew is a member of the Management Committee and of the investment committees of WCI, WCI III and WCI IV.

Gregory J. Bondick

Educational Background and Business Experience

Mr. Bondick is 46 years of age and is a Managing Director of Windjammer Capital Investors. Prior to joining Windjammer Capital Investors in March 2000, Mr. Bondick worked in 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 BBA from the University of Texas at Austin and holds the Chartered Financial Analyst designation. He currently serves on the boards of

Components Hardware Group, Heritage Food Service Group, Inc. and Advanced Instruments. He was formerly on the boards of HSC Acquisition, Protective Industries, S.T. Specialty Foods, Rotex Global and Maxcess International Corporation.

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 the investment strategy of the Funds. Mr. Bondick is a member of the investment committee of WCI IV and WCI V.

Jeff Mieke

Educational Background and Business Experience

Mr. Mieke is 47 years of age and 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 Flinn Scientific, Mission Critical Electronics, and JWC Environmental. He was formerly on the boards of AmerCable, Jonathan Engineered Solutions, The Felters Company, Weasler Engineering, Airpax Holdings, BBB Industries, Infinite RF 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 hold vested carried interest amounts from his tenure at Industrial Growth Partners.

Supervision

As a Managing Director of Windjammer Capital Investors, Mr. Mieke is part of a team that is responsible for implementing the investment strategy of the Funds. Mr. Mieke is a member of the investment committee of WCI IV and WCI V.