

INVESTMENT ADVISER BROCHURE

**TWIN BRIDGE CAPITAL PARTNERS, LLC**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Twin Bridge Capital Partners, LLC (“Twin Bridge”). If you have any questions about the contents of this Brochure, please contact us at (312) 284-5600. 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.**

Twin Bridge 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 Twin Bridge is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## MATERIAL CHANGES

Twin Bridge filed its most recent Form ADV Part 2 on March 27, 2017. This annual amendment updates the description of the business practices of Twin Bridge and its affiliates, including the terms and operations of the Funds (as defined herein).

## ADVISORY BUSINESS

Twin Bridge, the registered investment adviser, is a Delaware limited liability company. Twin Bridge provides discretionary investment advisory services to its clients, which consist of private equity “funds of funds,” namely private investment-related funds and managed accounts. Twin Bridge commenced operations in October 2005.

Twin Bridge’s clients include the following (each, a “**Fund**” and, together with any future private investment fund to which Twin Bridge or its affiliates provide investment advisory services, the “**Funds**”):

- Pacific Street Fund, L.P.;
- Pacific Street Fund II, L.P.;
- Pacific Street Fund III, L.P.; and
- Pacific Street Fund IV, L.P.

The following general partner entities of the Funds are affiliated with Twin Bridge:

- Pacific Street GP, LLC;
- Pacific Street GP II, LLC;
- Pacific Street GP III, LLC; and
- Pacific Street GP IV, LLC

(each, a “**General Partner**” and, collectively, the “**General Partners**”).

Each General Partner is subject to the Advisers Act pursuant to Twin Bridge’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Twin Bridge.

Additional Funds may be offered on an investor-by-investor basis. Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds invest in underlying private equity funds (“**Portfolio Funds**”) and, through co-investments, negotiated transactions in certain operating entities in which such Portfolio Funds invest. Twin Bridge’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving, where permitted by the governing documents of such Portfolio Funds, dispositions for

such investments. Although direct and indirect investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of direct investments in portfolio companies, the senior principals or other personnel of Twin Bridge or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds or by such Portfolio Funds. Such personnel's receipt of compensation from such portfolio companies may give rise to conflicts of interest between the Funds, on the one hand, and Twin Bridge, its personnel and/or its affiliates, on the other hand.

Twin Bridge's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements or governing documents (each, a "**Partnership Agreement**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." 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 or Twin Bridge may enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

As of January 1, 2018, Twin Bridge managed approximately \$1.8 billion in client assets on a discretionary basis. Twin Bridge is controlled and principally owned by Brian Gallagher, Joseph Dimberio, Patrick Lanigan and Thrivent Financial for Lutherans ("**Thrivent**").

## **FEES AND COMPENSATION**

In general, Twin Bridge receives a management fee (the "**Management Fee**") and the relevant General Partners receive a carried interest in connection with advisory services. Investors in a Fund also bear certain expenses.

### **Management Fees**

Each Fund generally pays an annual Management Fee to Twin Bridge up to a maximum of 1.00% of such Fund's aggregate investor capital commitments, quarterly in arrears, commencing on such Fund's effective date and continuing through an anniversary of the effective date, as set forth in each Fund's applicable Memorandum. For certain investors, the amount of Management Fee to be paid with respect to a fiscal year period generally is negotiated and agreed between such investors and the applicable General Partner prior to the commencement of such fiscal year period. After a certain number of years, the Management Fee may be reduced or eliminated and the applicable General Partner may waive or reduce the Management Fee for certain investors. The rates at which Twin Bridge's fees are charged vary among the Funds.

The Management Fee generally will be reduced by the relevant Fund's share of directors' and similar fees paid by portfolio companies to partners or employees of Twin Bridge, although in certain cases Twin Bridge or one of its affiliates may be permitted to retain certain of such fees without reduction of the Management Fee, as permitted by the relevant Partnership Agreement.

## **Carried Interest**

Each General Partner will receive with respect to each Fund a carried interest that has been individually negotiated with investors. Each General Partner may waive or reduce carried interest for certain investors.

## **Other Information**

Twin Bridge may exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Twin Bridge or through other Funds which co-invest with the relevant investor's Fund.

The Funds generally invest on a long-term basis into Portfolio Funds and portfolio companies with long-term investment horizons. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreements, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other employees of Twin Bridge generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Twin Bridge.

In addition to the Management Fee and carried interest payable to Twin Bridge, each Fund bears certain expenses. As set forth in the Partnership Agreements, each Fund will pay all other costs and expenses of such Fund that are not reimbursed by portfolio companies, including without limitation: (i) all costs and expenses attributable to acquiring, holding and disposing of a Fund's investments (including, without limitation, fees, costs and interest on money borrowed by such Fund or the relevant General Partner on behalf of such Fund, registration expenses and brokerage, finders', custodial and other fees), (ii) legal, accounting, auditing, consulting and other fees and expenses (including, without limitation, expenses associated with the preparation of a Fund's financial statements, tax returns and forms K-1), (iii) costs, expenses and liabilities of a Fund (including, without limitation, litigation and indemnification costs and expenses, judgments and settlements), (iv) all out-of-pocket fees and expenses incurred by a Fund, the relevant General Partner or the relevant General Partner's members, managers, partners, officers and employees relating to investment and disposition opportunities for a Fund not consummated (including, without limitation, legal, accounting, auditing, consulting and other fees and expenses, financing commitment fees, real estate title and appraisal costs, and printing), (v) the Management Fees and Placement Fees, (vi) any taxes, fees and other governmental charges levied against a Fund, (vii) costs and expenses associated with meetings of the partners of a Fund, (viii) costs and expenses of or associated with a Fund's Advisory Committee (if any), (ix) costs and expenses associated with the pursuit of remedies by a Fund pursuant to the relevant Partnership Agreement relating to any obligations of the relevant General Partner and its members thereunder, and (x) expenses paid to third parties in connection with the organization of a Fund, a Parallel Fund, the relevant General Partner, a Parallel Fund's relevant General Partner and any relevant Management Company. As is typical for funds investing in operating companies or underlying private equity funds, certain

Funds likely bear additional and greater expenses, directly and indirectly, than mutual funds or many other pooled investment products.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the relevant General Partner receives a carried interest allocation on certain realized profits in a Fund. A carried interest allocation represents an investment adviser’s compensation based on a percentage of net profits of the fund or funds it manages. Twin Bridge does not manage any funds that are not charged a performance-based fee.

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 Twin Bridge generally considers performance-based compensation to better align its interests with those of its investors.

## **TYPES OF CLIENTS**

Twin Bridge provides investment advice to the Funds, which may include investment partnerships or other investment entities formed under U.S. domestic or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Company Act**”). The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Twin Bridge.

The Funds generally do not have a minimum investment amount for third-party investors; rather, investment amounts are negotiated on an investor-by-investor basis. In most circumstances, investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Generally, investors must be (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) either “qualified purchasers” or “knowledgeable employees” as defined under the Company Act. Twin Bridge may waive such qualification requirements in certain circumstances.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Twin Bridge invests primarily in Portfolio Funds that are middle-market private equity buyout funds and, through equity co-investments, certain portfolio companies in which such Portfolio Funds invest.

### **Investment and Operating Strategy**

Twin Bridge focuses its investments on a North American-centric portfolio of middle market companies across multiple industries. The Funds’ portfolios may consist of limited partnership or limited liability company interests in Portfolio Funds and, through co-investments, securities of operating companies.

*Portfolio Fund Investments.* Twin Bridge's investment selection process for fund investments begins by identifying fund targets in an attempt to create a diversified portfolio. Twin Bridge monitors several hundred Portfolio Funds and actively tracks a subset of such Portfolio Funds that it believes have the potential for positive performance. Twin Bridge seeks to identify the Portfolio Funds that fit best within the Funds' strategy. In evaluating potential Portfolio Funds, Twin Bridge interacts with various financial industry experts and conducts due diligence.

*Co-Investments.* Twin Bridge actively seeks co-investment opportunities that fit well within the Funds' portfolios. In determining whether to invest alongside a Portfolio Fund in a portfolio company, Twin Bridge evaluates five areas: (i) the sponsor of the investment; (ii) the particular portfolio company; (iii) the industry; (iv) the portfolio company's management; and (v) the portfolio company's financials. As with investments in Portfolio Funds, Twin Bridge interacts with various financial industry experts and conducts due diligence to identify portfolio companies in which to co-invest.

## **Risks of Investment**

The Funds and their investors bear the risk of loss that Twin Bridge's investment strategy entails. The risks involved with Twin Bridge's investment strategy and an investment in the Funds include, but are not limited to, the risks discussed below. Risks presented as applicable to a Fund may be equally applicable to, and where context allows should be construed to include, a Portfolio Fund, and vice versa.

*Business Risks.* A Funds' investment portfolio is expected to consist primarily of securities issued by Portfolio Funds and 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.

*Non-controlling Investments.* The Funds principally hold non-controlling interests in Portfolio Funds or portfolio companies (as applicable) and, therefore, have a limited ability to protect the Funds' position in such investments.

*Future and Past Performance.* The performance of the Funds' prior investments is not necessarily indicative of the Funds' future results. While Twin Bridge intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted rate of return will be achieved. On any given investment, loss of principal is possible.

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

*Concentration of Investments.* The Funds participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to

the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

*Investment in Private Equity Fund Interests.* A Fund's investments in private equity funds such as the Portfolio Funds are subject to the same risks as those of any other limited partner in such Portfolio Funds, including lack of liquidity and dependence on the management of such Portfolio Funds. Although Twin Bridge conducts extensive due diligence to identify and invest in Portfolio Funds that are ideally suited for the Funds' investment strategies, Twin Bridge will not have control over the composition of the investments of such Portfolio Funds.

*Substantial Fees and Expenses.* A Fund's fees and expenses include not only Twin Bridge's fees, but also the compensation and fees paid to the managers of the Portfolio Funds, as well as the *pro rata* share of the costs and expenses of the Portfolio Funds. Due to this double layer of fees and expenses, a Fund's expenses will likely constitute a higher percentage of net assets than expenses of other investment entities which do not use a multi-layer approach.

*Possibility of Fraud and Other Misconduct.* When a Fund invests in a Portfolio Fund, neither Twin Bridge nor such Fund has custody of the Portfolio Fund's assets. Therefore, there is the risk that the Portfolio Fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations or engage in other misconduct. Moreover, there can be no assurances that the Portfolio Funds will be operated in accordance with all applicable laws and that assets entrusted to Portfolio Funds will be protected.

In the past there have been reported instances of violations of the securities laws through the misuse of confidential information, misappropriation of assets or other activities. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized and for penalties. If a Portfolio Fund commits any such violation, a Fund could be exposed to significant losses or reputational harm.

*Limits on Information.* Twin Bridge selects Portfolio Funds based upon the factors described under the "Methods of Analysis, Investment Strategies and Risk of Loss—Investment and Operating Strategy" section above. Twin Bridge will request detailed information from each Portfolio Fund regarding the Portfolio Fund manager's historical performance and investment strategy. However, Twin Bridge may not always be provided with detailed information regarding all the investments made by such Portfolio Fund's manager because certain of this information may be considered proprietary by such manager.

*Portfolio Fund Valuations.* In most cases, Twin Bridge will have no ability to assess the accuracy of the valuations received from a Portfolio Fund. Furthermore, the net asset values received by Twin Bridge from such Portfolio Fund on a periodic basis may be unaudited until the end of the Portfolio Fund's annual audit.

There can be no assurance that a Portfolio Fund general partner will have all the information necessary to make valuation decisions in respect of the Portfolio Fund 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 Portfolio Fund general partner with respect to a Portfolio Fund investment will represent the value realized by the Portfolio Fund on



the eventual disposition of such Portfolio Fund investment or that would, in fact, be realized upon an immediate disposition of such Portfolio Fund investment on the date of its valuation. Accordingly, the valuation decisions made by such Portfolio Fund general partner may cause it to ineffectively manage the Portfolio Fund's investment portfolios and risks, and may also affect the diversification and management of such Portfolio Fund's investments.

*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 Portfolio Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners in such a Portfolio Fund generally will be required to pay annual management fees during the investment period based on the entire amount of their commitments.

*Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Partnership Agreement(s). A General Partner may pursue investments outside of the industries and sectors in which Twin Bridge has previously made investments or has internal operational experience.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as an illiquid investment. 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 a Portfolio Fund 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 any Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

*Leveraged Investments.* The Portfolio Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of the investment in such portfolio company, including in respect of portfolio companies not rated by credit agencies. Such use of leverage generally magnifies a Portfolio Fund's opportunities for gain and its risk of loss from a particular investment and increases the portfolio company's exposure to company, industry and economic conditions and changes in interest rates. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the relevant Fund may suffer a partial or total loss of capital invested in the portfolio company, in turn affecting the Fund's returns. Additionally, should the credit markets be limited or costly at the time a Portfolio

Fund determines that it is desirable to sell all or a part of a portfolio company, the Portfolio Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Portfolio Fund invests generally will not be rated by a credit rating agency. A Portfolio Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that such Portfolio Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Portfolio Fund also will result in interest expense and other costs to such Portfolio Fund that may not be covered by distributions made to such Portfolio Fund or appreciation of its investments.

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

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund or Portfolio Fund investments, and, hence, most of a Fund's or Portfolio Fund's investments, as applicable, will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund or Portfolio Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the applicable Partnership Agreement, including the value used to determine the amount of carried interest available to Twin Bridge with respect to such investment.

*Reliance on Management.* Each Fund is dependent on its General Partner. Control over the operation of a Fund will be vested with Twin Bridge, and the Fund's future profitability will depend largely upon the business and investment acumen of the Twin Bridge principals. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Funds will depend on the actions of Twin Bridge. In addition, certain changes in Twin Bridge or circumstances relating to Twin Bridge may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities. Similar concerns apply to the Fund's investment in each Portfolio Fund.

*Conflicting Investor Interests.* Investors may have conflicting investment, tax and other interests with respect to their investments in the Funds and the Portfolio Funds in which they invest, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partners regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partners generally will consider the investment and tax objectives of the Partnership and its Partners as a whole, not the investment, tax or other objectives of any investor individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Partnership's activities, including the ability of the Partnership to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

*Non-U.S. Investments.* The Funds, and the Portfolio Funds in which they invest, may invest in portfolio companies that are organized, headquartered or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or any Portfolio Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund or any Portfolio Fund and/or the partners with respect to such Fund's or any Portfolio Fund's income and possible non-U.S. tax return filing requirements for the Fund, any Portfolio Fund and/or the partners. Additional risks include: (i) risks of economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed regulatory institutions; and (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Market Conditions.* Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's or Portfolio Fund's performance can be affected by deterioration in public markets and by market events.

*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 or a Portfolio Fund and their 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 or Portfolio 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 or such Portfolio Fund's portfolio companies.

*Material Non-Public Information.* As a result of the operations of Twin Bridge and its affiliates, Twin Bridge frequently comes into possession of confidential information. In certain

cases, Twin Bridge and its affiliates may have access to material non-public information that may be relevant to an investment decision to be made on behalf of a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Twin Bridge's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company or Portfolio Fund is subject to cyber-attack or other unauthorized access is gained to a portfolio company or Portfolio Fund's systems, such portfolio company or Portfolio Fund may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer, portfolio company or Portfolio Fund financial information; (iii) portfolio company or Portfolio Fund software, contact lists or other databases; (iv) portfolio company or Portfolio Fund proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company or Portfolio Fund'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, Portfolio Fund or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Twin Bridge or one of its service providers holding its financial or investor data, Twin Bridge, its affiliates or the Funds may also be at risk of loss.

## **Conflicts of Interest**

The General Partners and the principals are affiliates of Twin Bridge, an investment advisory firm dedicated to fund-of-funds investments and co-investment transactions for institutional clients, and the principals of Twin Bridge have ownership interests in the General Partner that entitles them to a portion of the carried interest distributions received by the General Partner. As an investment advisory firm, Twin Bridge provides a range of business services to its clients, some of which may result in conflicts of interest between the Partnership, on the one hand, and Twin Bridge and certain of its clients, on the other hand. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Partnership and its ability to achieve its investment objectives.

Twin Bridge attempts to resolve such conflicts of interest in light of its obligations to investors in such investment vehicles managed by it, and attempts to allocate investment opportunities among the Funds in a fair and equitable manner. Twin Bridge generally will attempt to allocate investment opportunities among the Funds on a *pro rata* basis, unless required to do otherwise by the applicable Partnership Agreements. Where necessary, Twin Bridge consults and receives consent to conflicts of interest from an advisory board consisting of limited partners of the Funds or such other investment vehicles.

Twin Bridge'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 Twin Bridge 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 Twin Bridge may be subject, discussed herein, did not exist.

In certain cases, Twin Bridge will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Twin Bridge will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

From time to time, Twin Bridge will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Twin Bridge. In determining which investment vehicles should participate in such investment opportunities, Twin Bridge may be subject to conflicts of interest among the investors in such investment vehicles. Twin Bridge believes the significant investment by Twin Bridge in the Funds, as well as Twin Bridge's interest in the carried interest, operate to align, to some extent, the interest of Twin Bridge with the interest of the partners, although Twin Bridge has economic interests in such other investment funds and investments as well and receives management fees and carried interest relating to such interests. Because Twin Bridge's carried interest is based on a percentage of net realized profits, it may create an incentive for Twin Bridge to cause a Fund to make riskier or more speculative investments than would otherwise be the case.

As a result of a controlling interest in a portfolio company, Twin Bridge, its personnel and/or its affiliates may have the right to appoint board members to such portfolio companies, 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 Twin Bridge, its personnel and/or its affiliates.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, Twin Bridge will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Twin Bridge may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Twin Bridge using its best judgment, considering such factors as it deems relevant, but in its sole discretion. 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 number of Funds receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fees and reductions in Management Fees, which may result in the Funds bearing different levels of expenses with respect to the same investment.

Twin Bridge was formed in 2005 with financial backing from a strategic investor, which took at that time and currently holds a minority ownership stake in Twin Bridge. The strategic investor historically has been the primary source of capital for Twin Bridge's fund clients, including providing significant anchor investments in certain of the Funds, pursuant to which it has received consent rights as described in the relevant Partnership Agreements. Because the strategic investor is a minority owner in Twin Bridge and a primary source of capital for Twin Bridge's fund clients or in connection with the consent rights conferred in the relevant Partnership Agreements, Twin Bridge expects from time to time to discuss prospective investments with the strategic investor during the terms of certain of the Funds. These discussions may include the strategic investor's outlook on the market generally or on specific investments, and, as a result, potential conflicts of interest exist to the extent that the strategic investor's outlook relating to a particular investment differs from that of Twin Bridge, such as where the strategic investor already is separately invested in the relevant (or a similar) investment opportunity and/or would not pursue the new opportunity on its own. Twin Bridge will seek to mitigate the potential for conflicts of interest arising from these discussions by making its investment decisions based on the relevant Fund's investment outlook and existing holdings, rather than those of the strategic investor.

These situations subject Twin Bridge to potential conflicts of interest. Twin Bridge attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Twin Bridge'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, Twin Bridge will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Twin Bridge consults and receives consent to conflicts from the relevant investors.

#### **DISCIPLINARY INFORMATION**

Neither Twin Bridge nor its management persons have been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Twin Bridge is affiliated with the General Partners, other general partner entities subject to the Advisers Act pursuant to Twin Bridge's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Twin Bridge and serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Twin Bridge is partially owned by Thrivent, a financial services organization organized as a fraternal benefit society. Thrivent's controlled and affiliated entities include broker dealers, investment advisers, banking institutions and insurance agencies. As none of Twin Bridge, the Funds or the portfolio companies in which the Funds make direct investments receive services from such Thrivent entities, Twin Bridge believes that such ownership does not create a material conflict of interest.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Twin Bridge has adopted the Twin Bridge Code of Ethics and Securities Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of Twin Bridge principals and employees and addresses conflicts that arise from personal trading. The Code requires Twin Bridge personnel to: report their personal securities transactions; pre-clear any proposed purchase of any initial public offering or limited offering; and comply with policies and procedures designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to MaryJane Pempek, the Chief Compliance Officer, at (312) 284-5600. 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.

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

Principals and employees of Twin Bridge may, directly or indirectly, own an interest in one or more Funds or certain co-investment vehicles. Any co-investment vehicle may invest in one or more of the same portfolio companies as the Funds.

The Funds may invest together with other private investment funds advised by Twin Bridge, or an affiliated adviser of Twin Bridge, in the manner set forth in the Partnership Agreements. Twin Bridge will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the relevant Funds’ Partnership Agreements and the Twin Bridge investment allocation policy.

Twin Bridge 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 the Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain 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 or

advisory boards) in such Funds. However, Twin Bridge may or may not, in its sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

### **BROKERAGE PRACTICES**

Twin Bridge 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, Twin Bridge may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Twin Bridge does not intend to regularly engage in public securities transactions, to the extent it does so, it will follow the brokerage practices described below.

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

Twin Bridge 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 Twin Bridge 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.

### **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, Twin Bridge closely monitors Portfolio Funds and portfolio companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Twin Bridge will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year and (iii) annual tax information necessary for each partner’s U.S. tax returns.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Twin Bridge and/or its affiliates may provide certain business or consulting services to companies in the relevant Fund’s portfolio and may receive compensation from these companies



in connection with such services. As described in the relevant Partnership Agreement, this compensation generally offsets a portion of the Management Fees paid by such Fund. See “Fees and Compensation.”

From time to time, Twin Bridge 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 or other third parties may be borne by Twin Bridge directly or indirectly through an offset against the Management Fee; to the extent permitted by the relevant Partnership Agreement, expenses payable to such placement agents or other third parties may be borne by the relevant Fund.

### **CUSTODY**

Twin Bridge has established an account with each of the following qualified custodians to hold funds and securities on behalf of the Funds: Merrill Lynch, Pierce, Fenner & Smith Incorporated, 600 California Street, 8th Floor, San Francisco, CA 94108; and JP Morgan Distribution Services, Inc., Chase Tower, 21 South Clark Street, 8th Floor, Chicago, IL 60603.

### **INVESTMENT DISCRETION**

Twin Bridge has discretionary authority to manage investments on behalf of the Funds. As a general policy, Twin Bridge does not allow limited partners to place limitations on this authority. Pursuant to the terms of the Partnership Agreements, however, Twin Bridge 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. Twin Bridge assumes this discretionary authority pursuant to the terms of the Partnership Agreements and powers of attorney executed by the limited partners of the Funds.

### **VOTING CLIENT SECURITIES**

Twin Bridge has adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments, including the Portfolio Funds. The Proxy Policy seeks to ensure that Twin Bridge votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Twin Bridge generally believes its interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds 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 Twin Bridge may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Twin Bridge does not consider service on portfolio company boards by Twin Bridge personnel or Twin Bridge’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 Twin Bridge when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Twin Bridge’s complete Proxy Policy or information regarding how Twin Bridge voted proxies for particular

portfolio companies may contact MaryJane Pempek, the Chief Compliance Officer, at (312) 284-5600, and it will be provided at no charge.

#### **FINANCIAL INFORMATION**

Twin Bridge 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.

**FORM ADV PART 2B**  
**INVESTMENT ADVISER BROCHURE SUPPLEMENT**

**TWIN BRIDGE CAPITAL PARTNERS, LLC**

**One South Wacker Drive**  
**Suite 3220**  
**Chicago, IL 60606**  
<http://www.twinbridgecapital.com>

March 22, 2018

Capitalized terms used but not defined in this Brochure Supplement have the meanings ascribed to them in the Investment Adviser Brochure of Twin Bridge Capital Partners, LLC (“**Twin Bridge**”). This Brochure Supplement provides information regarding investment personnel acting on behalf of Twin Bridge.

If you have any questions about the supplemental information contained in this Supplemental Brochure, please contact MaryJane Pempek, Twin Bridge’s Chief Compliance Officer, at (312) 284-5600. All investment personnel mentioned in this Brochure Supplement can be reached at the address and phone number provided at the beginning of this Brochure.

**Brian Gallagher**

*Educational Background and Business Experience*

Brian Gallagher, born December 20, 1967, co-founded Twin Bridge and shares responsibility for all aspects of the firm’s investment and fundraising activities. Mr. Gallagher serves on the Management Board and the Investment Committee of Twin Bridge. Before co-founding Twin Bridge, Mr. Gallagher was a Principal with UIB Capital, where he was responsible for leading private equity investments in the United States. Mr. Gallagher was also a Partner at PPM America Capital Partners, where he led investments in private equity funds and co-investments. Mr. Gallagher began his career at Arthur Andersen. Mr. Gallagher is a board member of Grosvenor Registered Multi-Strategy Fund and HFS Chicago Scholars. He is on the advisory boards of Integrity Risk International, Main Post Growth Capital, Vance Street Capital II and is a member of the Business Advisory Council at the University of Notre Dame. Mr. Gallagher earned his MBA at Northwestern University and a BA in Accounting from the University of Notre Dame. He holds the Chartered Financial Analyst designation and is a Certified Public Accountant. Mr. Gallagher is a member of the CFA Institute, the AICPA, the National Association of Corporate Directors and the Association for Corporate Growth.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Gallagher is not engaged in any investment-related business outside of his roles with Twin Bridge.

### *Additional Compensation*

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

### *Supervision*

As a partner of Twin Bridge, Mr. Gallagher is part of a team that is responsible for leading the investment activities of Twin Bridge, but is not subject to the business supervision of any single individual. The Chief Compliance Officer supervises the activities of Mr. Gallagher with respect to Twin Bridge's Investment Adviser Compliance Program.

## **Joseph Dimberio**

### *Educational Background and Business Experience*

Joseph Dimberio, born February 4, 1969, manages Twin Bridge and shares responsibility for all aspects of the firm's investment and fundraising activities. Mr. Dimberio serves on the Management Board and the Investment Committee of Twin Bridge. Mr. Dimberio was formerly a Senior Partner of PPM America Capital Partners, where he led investments in both funds and co-investments. Prior to PPM America, he worked for Heller Financial, underwriting debt investments in sponsored leveraged buyouts. Mr. Dimberio started his career with Citicorp Diners Club. Mr. Dimberio has served on many boards of directors. He is currently on the advisory boards of CIVC Fund IV & V, Juggernaut Capital Partners III, Jefferies Capital Partners Fund V, New Harbor Capital Fund II, Union Capital Partners Fund II, as well as Carousel Capital Partners Fund III, IV & V. He is also a board member of HFS Chicago Scholars. Mr. Dimberio received his MBA from the University of Notre Dame and graduated with a BA in Finance from the University of Notre Dame.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Dimberio is not engaged in any investment-related business outside of his roles with Twin Bridge.

### *Additional Compensation*

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

### *Supervision*

As a partner of Twin Bridge, Mr. Dimberio is part of a team that is responsible for leading the investment activities of Twin Bridge, but is not subject to the business supervision of any single individual. The Chief Compliance Officer supervises the activities of Mr. Dimberio with respect to Twin Bridge's Investment Adviser Compliance Program.

## **Patrick Lanigan**

### *Educational Background and Business Experience*

Patrick Lanigan, born April 26, 1969, manages Twin Bridge and shares responsibility for all aspects of the firm's investment and fundraising activities. Mr. Lanigan serves on the Management Board and the Investment Committee of Twin Bridge. Mr. Lanigan was formerly a Senior Partner of PPM America Capital Partners, where he led the underwriting for fund investments and equity co-investments. Prior to joining PPM America, Mr. Lanigan held general management positions with Owens Corning and General Binding Corporation. He started his career with Amoco Oil Company. Mr. Lanigan has served on several boards of directors historically, and currently serves as a director of Pace Industries and is an advisory board member for Centre Partners Fund V and Thoma Bravo Fund IX. He earned his MBA from the University of Chicago Graduate School of Business and a BS in Mechanical Engineering from the University of Notre Dame.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Lanigan is not engaged in any investment-related business outside of his roles with Twin Bridge.

### *Additional Compensation*

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

### *Supervision*

As a partner of Twin Bridge, Mr. Lanigan is part of a team that is responsible for leading the investment activities of Twin Bridge, but is not subject to the business supervision of any single individual. The Chief Compliance Officer supervises the activities of Mr. Lanigan with respect to Twin Bridge's Investment Adviser Compliance Program.