

**INVESTMENT ADVISER BROCHURE**

**SENTINEL CAPITAL PARTNERS, L.L.C.**

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**March 30, 2015**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Sentinel Capital Partners, L.L.C., a Delaware limited liability company (“Sentinel LLC”). If you have any questions about the contents of this Brochure, please contact us at (212) 688-3100 or [info@sentinelpartners.com](mailto:info@sentinelpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

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## MATERIAL CHANGES

This Brochure contains material changes to the previous Form ADV Part 2 filed by Sentinel Capital Partners, L.L.C. on March 28, 2014 (the “**Previous Brochure**”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Previous Brochure. All other changes to this Brochure are not material and are solely clarifying or updating changes.

This Brochure reflects the following material changes to the Previous Brochure: (1) conforming the amounts of client assets managed by Sentinel; and (2) the revision of conflicts of interest to clarify and update the potential conflicts applicable to the Advisers’ investment strategy.

## ADVISORY BUSINESS

Sentinel is a private investment management firm, including a registered investment advisory entity and other entities affiliated with Sentinel Capital Partners, L.L.C, a Delaware limited liability company (“**Sentinel LLC**” and, together with such affiliated organizations, collectively, “**Sentinel**”), that manages approximately \$2,077,319,625 in private fund assets.

Sentinel LLC is a registered investment adviser that commenced operations in November 1995. Sentinel LLC and its affiliated investment advisers, Sentinel Partners III, L.P. (“**Sentinel III GP**”), Sentinel Investment Partner III, L.P. (“**Adviser III**”), Sentinel Partners IV, L.P. (“**Sentinel IV GP**”), Sentinel Investment Partner IV, L.P. (“**Adviser IV**”), Sentinel Partners V, L.P. (“**Sentinel V GP**”) and Sentinel Investment Partner V, L.P. (“**Adviser V**”, and together with Sentinel III GP, Adviser III, Sentinel IV GP, Adviser IV, and Sentinel V GP, the “**Affiliated Advisers**” and the Affiliated Advisers with Sentinel LLC, the “**Advisers**”) provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere.

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

Sentinel III GP has delegated the management of the business and affairs of Fund III to Adviser III which in turn has delegated such management to Sentinel LLC. Sentinel IV GP has delegated the management of the business and affairs of Fund IV to Adviser IV which in turn has delegated such management to Sentinel LLC. Sentinel V GP has delegated the management of the business and affairs of Fund V to Adviser V which in turn has delegated such management to Sentinel LLC. (See below for a list of Fund III, Fund IV and Fund V funds (each, a “**Fund**,” collectively, the “**Funds**” and together with any future private investment fund managed by Sentinel, the “**Private Investment Funds**”). The investors in the Funds (other than the Affiliated Advisers), as applicable, are referred to herein as “**Limited Partners**” and the Limited Partners, together with the Affiliated Advisers, are referred to herein as the “**Partners**”.

The Funds and any other Private Investment Funds are private equity funds and invest through negotiated transactions in operating entities generally referred to herein as “portfolio companies”. Sentinel’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 dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted subject to certain limitations set forth in the applicable Fund's limited partnership agreement (each, a "**Limited Partnership Agreement**"). From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Sentinel LLC or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over the management of a Fund's portfolio companies.

Sentinel III GP, a Delaware limited partnership, is the general partner of the private funds listed below (together with any feeder vehicles, alternative investment vehicles and other special purpose entities, "**Fund III**").

- Sentinel Capital Partners III, L.P., a Delaware limited partnership
- Sentinel Capital Investors III, L.P., a Delaware limited partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to "Fund III" include each of the above-named private funds. While the substantial majority of the terms of each above named fund are the same, each of such funds was formed to suit the purposes of certain types of investors so there are slight variations in structure and investment terms among the funds. Investors should refer to the private fund's Limited Partnership Agreement for specific terms with respect to that private fund.

Sentinel IV GP, a Delaware limited partnership, is the general partner of the private funds listed below (together with any feeder vehicles, alternative investment vehicles and other special purpose entities, "**Fund IV**").

- Sentinel Capital Partners IV, L.P., a Delaware limited partnership
- Sentinel Capital Partners IV-A, L.P., a Delaware limited partnership
- Sentinel Capital Investors IV, L.P., a Delaware limited partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to "Fund IV" include each of the above-named private funds. While the substantial majority of the terms of each above named fund are the same, each of such funds was formed to suit the purposes of certain types of investors (e.g., U.S. tax-exempt investors, non-U.S. investors, etc.) so there are slight variations in structure and investment terms among the funds. Investors should refer to the private fund's Limited Partnership Agreement for specific terms with respect to that private fund.

Sentinel V GP, a Delaware limited partnership, is the general partner of the private funds listed below (together with any feeder vehicles, alternative investment vehicles and other special purpose entities, "**Fund V**").

- Sentinel Capital Partners V, L.P., a Delaware limited partnership
- Sentinel Capital Partners V-A, L.P., a Delaware limited partnership
- Sentinel Capital Investors V, L.P., a Delaware limited partnership

For the sake of clarity, unless otherwise indicated, references in this Brochure to "Fund V" include each of the above-named private funds. While the substantial majority of the terms of each above named fund are the same, each of such funds was formed to suit the purposes of certain types of investors (e.g., U.S. tax-exempt investors, non-U.S. investors, etc.) so there are

slight variations in structure and investment terms among the funds. Investors should refer to the private fund's Limited Partnership Agreement for specific terms with respect to that private fund.

Sentinel's advisory services for the Private Investment Funds are detailed in the applicable private placement memoranda and the supplements thereto (each, a "**Private Placement Memorandum**" and collectively, the "**Private Placement Memoranda**") and the Limited Partnership Agreements of the Funds and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Private Investment Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, tax, regulatory, or other agreed-upon circumstances pursuant to the relevant limited partnership agreement. The Funds or the Advisers have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under or altering or supplementing the terms of the applicable Fund's limited partnership agreement.

Additionally, from time to time, the Advisers may provide (or agree to provide) certain investors or other persons, including certain persons associated with Sentinel and/or its affiliates (to the extent not prohibited by the applicable Limited Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside a Fund. 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. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment held by a Fund on a temporary basis. 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 and the co-investor or co-invest vehicle may be charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

As of December 31, 2014, Sentinel LLC managed \$2,077,319,625 in client assets on a discretionary basis. Sentinel LLC is controlled by its partners.

## **FEES AND COMPENSATION**

In general, Sentinel LLC receives a management fee ("**Management Fee**") paid by the Funds in connection with advisory services it provides. Sentinel LLC or other Sentinel entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds (e.g., the General Partners receive carried interest, discussed in detail below) and certain additional compensation that offsets in whole or in part the Management Fee otherwise payable. Limited Partners in the Funds also bear certain fund expenses.

### **Management Fees**

The precise amount of, the manner and calculation of and the manner and timing of payment of the Management Fee for each Fund are established by the Advisers, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's advisory agreements, organizational documents and/or documentation received by each investor prior to investment in such Fund. The fee structures of the Funds may be modified from time to time and Management Fees may differ from one Fund to another.

### Fund III

Adviser III reserves the right to waive all or any portion of any future installment of the Management Fee otherwise payable. Any waived portion of a Management Fee installment shall (a) reduce the amount of capital contributions that Adviser III otherwise would be required to make in respect of Fund III after the date that the waived amount would otherwise be due and (b) correspondingly increase later capital contributions of the Limited Partners. Waived Management Fees are not subject to the Management Fee offsets described below.

Directors fees may be paid by a portfolio company to Adviser III or its affiliates or employees in respect of Fund III. All such directors fees paid to Adviser III or any such affiliate or employee will first be used to pay unreimbursed expenses incurred in connection with unconsummated transactions, and 100% of any remaining portion will be applied to reduce the Management Fee.

To the extent that the amount of transaction fees (including set-up acquisition and commitment fees), investment banking fees, fees earned in connection with transactions that are not completed (break-up fees), advisory fees, monitoring fees or other similar fees received by Sentinel LLC or its affiliates or employees in respect of Fund III ("**Fund III Offset Fees**") exceeds unreimbursed transaction expenses, including unreimbursed unconsummated transaction expenses, paid by Adviser III, 50% of such excess (together with the amount of directors' fees in respect of Fund III applied to reduce the Management Fee for the relevant period as described in the foregoing paragraph, the "**Fund III Offset Amount**") will be applied to reduce the Management Fee. If the Fund III Offset Amount exceeds the amount of the Management Fee otherwise payable in any period, then the amount of the excess shall be carried forward and shall reduce future installments of the Management Fee; provided that upon termination of Fund III, any Offset Amount that has not been applied to offset the Management Fee shall be paid by Sentinel LLC directly to those partners that have not elected on or prior to the date of their admission to Fund III to waive receipt of such amounts.

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

### Fund IV

Adviser IV reserves the right to waive all or any portion of any future installment of the Management Fee. Any waived portion of a Management Fee installment shall (a) reduce the amount of capital contributions that Adviser IV otherwise would be required to make in respect of Fund IV after the date that the waived amount would otherwise be due and (b) correspondingly increase later capital contributions of the Limited Partners. Waived Management Fees are not subject to the Management Fee offsets described below.

The Management Fee payable by Fund IV shall be reduced by an amount (the "**Fund IV Offset Amount**") equal to (a) 100% of any transaction, advisory, break-up, monitoring, commitment, or similar fees received by Sentinel IV GP, Adviser IV, Sentinel LLC or the principals from portfolio companies or proposed portfolio companies, to the extent apportionable to the activities of Fund IV ("**Fund IV Offset Fees**"), up to an amount equal to all partnership expenses incurred in connection with unconsummated transactions, and then (b) 100% of all Fund IV Offset Fees that are directors' fees and 50% of all other Fund IV Offset Fees. If the Fund IV Offset Amount exceeds the amount of the Management Fee otherwise payable in any

period, then the amount of such excess shall be carried forward and shall reduce future installments of the Management Fee; provided that upon termination of Fund IV, any Offset Amount that has not been applied to offset the Management Fee shall be paid by Sentinel LLC directly to those partners that have not elected on or prior to the date of their admission to Fund IV to waive receipt of such amounts.

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

#### Fund V

Adviser V reserves the right to waive all or any portion of any future installment of the Management Fee. Any waived portion of a Management Fee installment shall (a) reduce the amount of capital contributions that Adviser V otherwise would be required to make in respect of Fund V after the date that the waived amount would otherwise be due and (b) correspondingly increase later capital contributions of the Limited Partners. Waived Management fees are not subject to the Management Fee offsets described below.

The Management Fee payable by Fund V shall be reduced by an amount (the “**Fund V Offset Amount**”) equal to (a) 100% of any transaction, advisory, break-up, monitoring, commitment, or similar fees received by Sentinel V GP, Adviser V, Sentinel LLC or the principals from portfolio companies or proposed portfolio companies, to the extent apportionable to the activities of Fund V (“**Fund V Offset Fees**” and together with Fund III Offset Fees and Fund IV Offset Fees, “**Offset Fees**”), up to an amount equal to all partnership expenses incurred in connection with unconsummated transactions, and then (b) 100% of all Fund V Offset Fees that are directors’ fees and 50% of all other Fund V Offset Fees. If the Fund V Offset Amount exceeds the amount of the Management Fee otherwise payable in any period, then the amount of such excess shall be carried forward and shall reduce future installments of the Management Fee; provided that upon termination of Fund V, any Offset Amount that has not been applied to offset the Management Fee shall be paid by Sentinel LLC directly to those partners that have not elected on or prior to the date of their admission to Fund V to waive receipt of such amounts.

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

#### **Other Information**

Sentinel may exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or Carried Interest (defined below), including Sentinel and any other person designated by Sentinel. Any such exemption from fees and/or Carried Interest may be made by a direct exemption by Sentinel and/or its affiliates. For example, in instances where a Sentinel professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and/or Carried Interest with respect to such Fund. Additionally, to the extent permitted by the relevant Limited Partnership Agreement, certain Advisers may have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or Carried Interest.

The Funds and any other Private Investment Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as

otherwise described in the Limited Partnership Agreements over the terms of the Funds (or the relevant Private Investment Funds, as applicable) and Limited Partners generally are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Funds, as applicable). The Advisers reserve the right to waive all or a portion of any Management Fee and/or Carried Interest (as defined below) payable by or in respect of Limited Partners of their respective Funds or other Private Investment Funds.

The Offset Fees described above may also include amounts prepaid in anticipation of future services or otherwise accelerated in certain situations, which will be offset against the applicable Management Fee as set forth in the relevant Limited Partnership Agreement. The Advisers, the Operating Partners and the Other Non-Sentinel Service Providers (as defined below) and/or their respective affiliates generally have discretion over whether to charge fees to a portfolio company and, if so, the fee rate and amount. The receipt of such fees may give rise to conflicts of interest between the Private Investment Funds, on the one hand, and the Advisers, the Operating Partners and the other Non-Sentinel Service Providers and/or their affiliates, on the other.

In addition to the Management Fee and Carried Interest, the Funds bear certain expenses. As set forth in their Limited Partnership Agreements, the Funds bear all expenses to the extent not paid by portfolio companies, including legal, accounting, auditing, investment banking, travel, printing, consulting, research, brokerage, finder's fees, custody, transfer, government and registration, insurance, advisory board, interest, taxes and other similar fees and expenses, including any such expenses incurred in connection with proposed transactions for which Sentinel had selected such Fund as a proposed investor but that are not consummated ("**Broken Deal Expenses**"). Co-investment vehicles may be formed in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no co-investment vehicle generally will have been formed, and the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Fund or Funds selected by the Advisor as proposed investors for such proposed transaction. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices." Additionally, as described more fully in the applicable Private Placement Memorandum, Sentinel LLC has exclusive relationships with certain senior professionals who provide certain key value-added services to the portfolio companies of the Funds (the "**Operating Partners**") as well as certain other Non-Sentinel Service Providers. These Operating Partners and the other Non-Sentinel Service Providers are not employees of Sentinel, are not members of the Advisers and do not have a carried interest in the Adviser's investments. Such Operating Partners and the other Non-Sentinel Service Providers may receive compensation from Sentinel portfolio companies and such compensation will not result in offsets to the Management Fee.

A General Partner may permit certain persons to co-invest in portfolio companies alongside one or more Funds. If a co-investment vehicle is formed, such entity will 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 generally, but not always, 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 a co-investment or other vehicle in connection with such transaction, such vehicle may bear its share of such Broken Deal Expenses.



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

Sentinel LLC does not receive a carried interest allocation (“**Carried Interest**”) for its advisory services to the Funds. Rather, each of Sentinel III GP, Sentinel IV GP and Sentinel V GP receive a Carried Interest equal to 20% of each Limited Partner’s profits from Fund III, Fund IV and Fund V, respectively, subject to satisfaction of an 8% preferred return (with respect to Fund III and Fund IV) or a 9% preferred return (with respect to Fund V), as more fully described in the applicable Fund’s Limited Partnership Agreement. Solely with respect to Fund V, and as more fully described in Fund V’s Limited Partnership Agreement, Sentinel V GP shall be entitled to receive a Carried Interest that ranges from 20-25%, depending on the level of Fund V’s returns. If any Adviser receives Carried Interest distributions during the life of the applicable Fund which are, in the aggregate, in excess of the foregoing amounts, then such excess Carried Interest distributions will be subject to repayment by such General Partner. The Advisers do not advise Private Investment Funds not subject to a Carried Interest, although the Funds’ respective general partners may waive Carried Interest with respect to certain affiliated Limited Partners in the applicable Fund, as described under “Fees and Compensation.”

## **TYPES OF CLIENTS**

Sentinel LLC provides investment advice to the Funds. Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, 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 Sentinel LLC and its affiliates. The Funds are closed to new investors.

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

### **General**

The Advisers focus on buyout transactions. The Funds were formed primarily to make control investments in lower middle market businesses in the United States and Canada through acquisitions and recapitalizations. The Advisers target transactions smaller than those pursued by many larger private equity firms and corporate buyers. The Advisers focus on eight industry sectors: aerospace and defense, business services, consumer products and services, distribution, food and restaurants, franchising, healthcare products and services, and industrial manufacturing.

There can be no assurance that the Advisers will achieve the investment objectives of the Funds and a loss of investment is possible.

### **Investment and Operating Strategy**

Lower Middle Market Buyouts. The Advisers generally target buyouts in the lower end of the middle market.

For example, in the case of Fund V, the relevant Advisers will generally target platform buyouts in the lower end of the middle market. The Advisers believe the lower middle market buyout market is generally less efficient than the middle or larger buyout markets, with buyouts

in the lower end of the middle market generally trading at much lower purchase multiples. From the Advisers' perspective, smaller companies generally have a need for, and tend to be responsive to, the managerial disciplines and governance practiced by the Advisers.

Value Orientation. The Advisers' emphasize value investing. The Advisers believe that value investing has enabled them to reduce risk through low entry pricing and to rely less on multiple expansion to achieve target returns.

Eight-Sector Industry Focus. The Advisers generally concentrate on eight industry sectors: aerospace and defense, business services, consumer products and services, distribution, food and restaurants, franchising, healthcare products and services, and industrial manufacturing. The Advisers believe they have considerable relevant investment experience, a proven record, and a network of important value-added relationships in these sectors. The Advisers also believe they have specialized industry knowledge enabling them to (i) achieve an early-mover advantage in sourcing transactions, (ii) react quickly to opportunities, and (iii) act with greater conviction. Sentinel believes these eight sectors represent a generous opportunity set of potential investments. The Advisers will also generally sell portfolio companies in industry sectors when the influx of additional strategic and financial capital makes them more expensive, and target for investment industry sectors when the outflow of strategic and financial capital presents greater value.

Operational Value-Added Strategy of Enhancing Portfolio Performance. The Advisers believe they are able to enhance portfolio company operating performance. The Advisers believe that improving portfolio company performance is a fundamental, reliable method for creating value and achieving attractive investment returns. The Advisers seek to add value in several ways, including by (i) upgrading management teams by recruiting qualified executives, (ii) mentoring and developing existing management, (iii) aligning the interests of management with shareholders, (iv) working with management teams to streamline strategic direction, (v) requiring the development and implementation of information systems and reporting protocols that enable the Advisers to monitor a company's operating performance in a timely fashion, (vi) advising on the sourcing and execution of accretive add-on acquisitions, and (vii) utilizing the Advisers' network of outside advisors and executives, many of whom serve on portfolio company boards and offer strategic and operational skills.

Proactive Deal Origination. The Advisers generally focus on limited auctions in which the seller invites only a small group of hand-picked financial buyers to bid. The Advisers believe that through this process they can pursue underperforming or complex opportunities that few other investors consider. In addition, in limited auctions, the ultimate buyer is often chosen based on qualitative factors, which the Advisers believe plays to their advantage.

Due Diligence and IT Assessment and Implementation Tailored to Smaller Businesses. The Advisers believe financial statements generated by lower middle market businesses are often unreliable. Therefore, the Advisers believe they have developed due diligence capabilities specifically tailored to smaller businesses to validate free cash flows, determine the quality of earnings, and perform proof-of-cash analyses.

## **Risks of Investment**

As part of an investment firm making investments primarily in companies whose securities are not publicly traded, the Advisers will be subject to the risks inherent in such investments. The performance of portfolio companies in which the Advisers invest, and

therefore the value of the Advisers' portfolio investments, will be subject to many factors over which the Advisers may have limited or no control. Such portfolio investments involve a high degree of business and financial risk that can result in a loss of an Adviser's entire investment in a portfolio company. In addition, the securities in which the Advisers will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made. Furthermore, developments in debt securities markets and the lending environment have seriously and adversely disrupted credit markets on which private equity investors such as the Advisers rely. There can be no assurance the recent turmoil in the credit markets or its effects will not affect the Advisers, their investments or their portfolio companies.

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. Investors should review each Fund's Private Placement Memoranda for information regarding risks specific to each Fund. In general, the risks involved with the Advisers' investment strategy and an investment in the Funds include, but are not limited to:

### **Business Risks**

The Funds' investment portfolios may 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.

### **Future and Past Performance**

The Funds will be dependent on the Advisers. The performance of the Advisers' prior investments is not necessarily indicative of the Funds' future results. While the Advisers intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal 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 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 the Funds' investments once made.

### **Concentration of Investments**

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

### **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 the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners will generally be required to pay the Management Fee for the full investment period based on the entire amount of the Limited Partners' capital commitments.

## **Risks of Investments in Small and Medium-Sized Companies**

The Funds may invest in assets in a broad spectrum of securities of companies that the Advisers believe to have attractive long-term growth potential. The Funds have the flexibility to invest in both small and medium-sized companies, as deemed appropriate by the Advisers. Like small companies, medium-sized companies often have limited product lines, markets or financial resources, and they may be dependent upon one or a few key people for management.

### **Competition for Investment**

The Funds expect to encounter competition from other investors that are targeting investments in lower middle market companies. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that competition for appropriate investment opportunities may reduce the number of opportunities available to the Funds and adversely affect the terms upon which investments can be made. There can be no assurance that the Funds will be able to identify or consummate investments that will satisfy their investment criteria or that such investments will satisfy their rate of return objectives. Likewise, there can be no assurance that the Funds will be able to identify a sufficient number of investments to invest its entire committed capital. However, Limited Partners will be required to pay annual Management Fees during the Funds' investment periods based on the entire amount of their commitments.

### **Illiquidity; Lack of Current Distributions**

The vast majority of the Funds' portfolio investments will be illiquid, and there is a significant risk that the Funds will be unable to realize portfolio investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the Funds' investments are made, changes in national or international economic or political conditions (including acts of war, terrorism, or other calamity or crisis), adverse conditions in national or global financial or capital markets, or changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made. Dispositions of portfolio investments may require a lengthy period of time or may result in distributions in-kind. It is uncertain 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. Before such time, there may be no current return on such investment. Furthermore, the expenses of operating the Funds (including the annual management fee payable to the applicable Adviser) may exceed its income, thereby requiring that the difference be paid from the Funds' capital. The Funds may also acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "**Securities Act**"). The Funds' abilities to dispose of investments may be dependent, in part, on the IPO market, which fluctuates in terms of both volume of transactions as well as the types of companies that are able to access the market. Accordingly, an investment in a Fund is not appropriate for investors seeking liquidity or a short-term cash return.

### **Leveraged Investments**

The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of the Funds' investment in a given portfolio company. Leverage generally magnifies both the Funds' opportunities for gain and the risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader

credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. 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. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. It is possible that a leveraged portfolio company in which the Funds invest will not have sufficient cash flow to pay its current debt service obligations as they become due or will not be able to refinance its outstanding indebtedness on favorable terms, or at all, upon maturity. It is anticipated that certain portfolio companies will have outstanding variable rate debt. If a portfolio company is unable to timely meet its payment obligations or fails to satisfy applicable financial covenants, the portfolio company's lenders typically will have the ability to exercise a variety of remedies under the relevant credit documents, including foreclosing on the assets of the portfolio company that are used to secure the underlying debt. Any rights of the Funds as equity holders will be junior to the rights of the portfolio company's lenders, and investments by the Funds in leveraged portfolio companies could be reduced or even eliminated. Furthermore, should the credit markets be tight at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with their forecasts. Moreover, the companies in which the Funds will invest generally are not rated by a credit rating agency.

### **Reliance on the General Partner and Portfolio Company Management**

Control over the operation of the Funds will be vested with the Advisers, and the Funds' future profitability will depend largely upon the business and investment acumen of the principals. The loss of service of one or more of the principals could have an adverse effect on the Funds' abilities to realize their investment objectives. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the Advisers. Although the Advisers will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis.

### **Restricted Nature of Investment Positions**

Generally, there will be no readily available market for the investments of the Funds, and hence, most of the Funds' investments will be difficult to value. In limited circumstances, as described in the Limited Partnership Agreements, certain investments may be distributed in kind to the Partners.

### **Projections**

Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management, with adjustments to such projections made by Sentinel in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

## **Advisory Committee**

The general partners of the Funds may appoint Limited Partner representatives to advisory committees for the Funds. Such Limited Partners may disproportionately represent one or more of the vehicles comprising the Funds. The Limited Partnership Agreement will provide that to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to the Funds or any other Partner. In addition, representatives of the advisory committee may have various business and other relationships with each Fund's general partner and its partners, employees and affiliates. These relationships may influence their decisions as members of the advisory committees. To the extent members of the advisory committees or Limited Partners in the Funds vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, any such Limited Partners in the Funds may have an interest in other funds or other Sentinel investment vehicles and, as a result, may not be motivated to vote solely in accordance with its interests related to the Funds. Moreover, such Limited Partners are unrestricted from voting, and may affirmatively vote, in a manner that is adverse to the interest of other Limited Partners and the Funds.

## **Need for Follow-On Investments**

Following an initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase their investments in successful portfolio companies, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient available funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or their inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under application debt documents in the event an equity cure cannot be made) or may result in lost opportunities for the Funds to increase their participation in successful operations.

## **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 Funds' activities, including the ability of the Funds to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of recent scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds' efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Additionally, Congress has recently considered proposed legislation regarding certain income allocations to service providers by partnerships such as the Funds (including any carried interest) which, under current law, may be taxed at lower rates than ordinary income, to instead

treat such income allocations as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation, whether during or after the initial closing of the Fund, could adversely affect the principals, employees or other individuals associated with the Funds, Sentinel or a Funds' general partners who were or may in the future be granted direct or indirect interests in the Funds' general partners entitling such persons to benefit from carried interest. This may reduce such persons' after-tax returns from the Funds and the general partners, which could make it more difficult for the general partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds.

## **Non-U.S. Investments**

The Funds may invest in portfolio companies that are organized and operating outside the United States. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the need to obtain any required regulatory clearances and approvals (which may involve significant time, expense, and uncertainty), the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of each Fund) and the application of complex tax rules to cross-border investments, possible imposition of foreign taxes on the Funds and/or the Partners with respect to the Funds' income, and possible foreign tax return filing requirements for the Funds and/or the Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. 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.

## **General Partners' Carried Interest**

The fact that the Funds' general partners' carried interests are based on a percentage of net profits may create an incentive for the general partners to cause the Funds to make riskier or more-speculative investments than would otherwise be the case. Additionally, because the carried interests are payable only on profits, the general partners may have an interest in increasing profits on assets at the expense of a more conservative investment strategy that focuses on the return of invested capital. For example, if a Fund, on advice from its general partner, holds a portfolio company on the expectation that its price will continue to rise, it may forego opportunities to liquidate the portfolio company at a time it can be assured of returning capital to the Limited Partners.

## **Transfer by General Partner**

To the extent the general partner of a Fund, its partners, its principals and/or their respective affiliates commit to make an investment in a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations in the applicable Fund's Limited Partnership Agreement.

## **Public Company Holdings**

The Funds' investment portfolios may contain securities issued by publicly-held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without

limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the principals, and increased costs associated with each of the aforementioned risks.

### **Risk Arising from Provision of Managerial Assistance and Control**

The Funds will often obtain rights to participate substantially in, and to influence, the management of the Funds' portfolio companies, including the right to appoint representatives to the boards of directors of such portfolio companies. The Funds typically will designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures intended to influence the management of portfolio companies could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. While the Advisers will manage the Funds in a way that is intended to minimize exposure to these risks, the possibility of successful claims or settlements of claims at significant cost cannot be precluded.

### **Uncertain Economic and Political Environment**

The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes, ongoing conflicts in multiple regions worldwide and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self reinforcing" economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. 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. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which the Fund makes investments.

### **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 Funds' portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011. Such a deterioration could, among other things, effect the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rates of return on investments outside the Funds. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.



## **Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments**

Changes in the global credit markets can make it more difficult for investment funds such as the Funds to obtain favorable financing for themselves or their investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, dramatically reduces investor demand for high yield debt and senior bank debt, which in turn causes some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns may be adversely affected to the extent a Fund is unable to obtain favorable financing terms for itself or its investments. Moreover, such marketplace events may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

## **Fund V - Limited Operating History**

Fund V has limited operating history and will be entirely dependent on the Advisers. There can be no assurance that Fund V's investments will achieve results similar to those attained by previous investments of its predecessor or of its principals. In addition, Fund V's investments may differ from previous investments made by Sentinel or its principals in a number of respects.

## **Non-Sentinel Service Providers**

The Operating Partners as well as the Senior Advisory Partner, Sentry Resources LLC and Empire Value Advisors and their respective employees (each as defined in the Private Placement Memoranda; collectively, the "**Non-Sentinel Service Providers**"), are not employees of Sentinel and are not expected to have a carried interest in any investment made by the Funds. Non-Sentinel Service Providers may, however, receive compensation from Sentinel portfolio companies. Such compensation will not result in offsets to or reductions of the Management Fee. In addition, Non-Sentinel Service Providers are not subject to the restrictions on Sentinel persons such as conflicts of interest, priority of transaction opportunities and formation of other vehicles.

**Material Non-Public Information.** As a result of the operations of Sentinel and its affiliates, from time to time, Sentinel comes into possession of confidential or material non-public information. Therefore, Sentinel and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by 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 Sentinel's internal policies. Due to these restrictions, it is theoretically possible that 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.

## **Conflicts of Interest**

The individual members or partners of the Advisers may also work for one or more other funds, as may be permitted under the Limited Partnership Agreements, and conflicts of interest may arise in allocating management time, services or functions among such entities. It is

possible that a permitted other fund will invest in a company that is or becomes a competitor of a portfolio company of a Fund. Such investment could create a conflict between a Fund and the permitted other fund.

Sentinel 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, legal, management and other services to Funds and portfolio companies. In the ordinary course of Sentinel conducting its activities, the interests of a Fund may conflict with the interests of Sentinel, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

During the remaining portion of the commitment period of Fund IV, all appropriate investment opportunities will be pursued by the principals of Sentinel LLC through Fund IV, subject to certain limited exceptions, until such commitment period terminates in accordance with Fund IV's Limited Partnership Agreement. Upon the termination of Fund IV's commitment period, and during the commitment period of Fund V, all appropriate investment opportunities will be pursued by the principals of Sentinel LLC through Fund V, subject to certain limited exceptions. The commitment period of Fund III has terminated, and Fund III has ceased making new investments, other than follow-on investments relating to existing investments. The principals and investment staff of Sentinel LLC will continue to manage and monitor such investments until their realization.

As a result of the Private Investment Funds' controlling interests in portfolio companies, the Advisers and/or their respective affiliates typically 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 the Advisers and/or their respective affiliates. The Advisers and/or their respective affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Private Investment Funds or other investment vehicles advised by the Advisers and/or their respective affiliates. Additionally, the Advisers, their respective affiliates and/or their respective personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an Investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Advisers and/or their respective affiliates, and/or the Private Investment Funds or other investment vehicles they advise. In addition, portfolio companies may from time to time pay certain fees to Operating Partners, other Non-Sentinel Service Providers and/or other third party consultants (including consultants introduced or arranged by the Advisers and/or their respective affiliates that may regularly provide services to one or more Private Investment Fund portfolio companies), and such fees will not offset the Management Fee as described herein. Any of these situations subjects the Advisers and/or their respective affiliates to potential conflicts of interest.

### **Contingent Liability on Disposition of Investments**

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. The Funds also may be required to indemnify the purchasers of such investment or any underwriters involved in the sale of portfolio investments to the extent that any such representations or

disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities that will be borne by the Funds.

### **Recourse to the Funds' Assets**

The Funds' assets, including any investments and any funds held by the Funds, are available to satisfy all liabilities and other obligations of the Funds. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to such Fund's assets generally and not be limited to the particular investment giving rise to the liability.

### **Borrowing Under the Funds' Credit Agreements**

The Funds may be permitted to borrow, subject to certain limitations set forth in the Limited Partnership Agreements, including to fund investments prior to the receipt of a capital contribution pursuant to a capital call notice. Under credit agreements that the Funds are expected to enter into for such purpose, commitments may be pledged to the lender to secure such loans and in the event obligations thereunder are not met, lenders may proceed to satisfy any such liability against the assets of the Funds, including by issuing capital call notices to the respective Fund's Limited Partners up to the amount of any unfunded commitments.

### **Limitations on Liability; Indemnification of the Advisers**

The Limited Partnership Agreements set forth circumstances under which the Advisers, their principals, affiliates and their respective directors, officers, partners, members, employees, agents and other related parties (the "**Indemnified Persons**") are to be excused from liability to the Funds and their investors for damages or losses that the Funds or such investors may incur arising from any Indemnified Person's acts or omissions in connection with their performance of services for the Funds. As a result, the Funds and the investors may have a more limited right of action in certain cases against these persons than they might otherwise have. Additionally, in the event that a claim is made against an Indemnified Person, such Indemnified Person may be entitled to be indemnified by a Fund, in which case the assets of such Fund would have to be used to indemnify such Indemnified Person for amounts incurred in connection with such claim and the amounts that would otherwise be payable to Limited Partners would consequently be reduced.

From time to time, Sentinel will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Sentinel. In determining which investment vehicles should participate in such investment opportunities, Sentinel and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Sentinel in a portfolio company may also raise the risk of using assets of a client of Sentinel to support positions taken by other clients of Sentinel. 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.

Investment opportunities may be appropriate for multiple Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. 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.

Additionally, a portfolio company typically will reimburse Sentinel or service providers retained at Sentinel's discretion for expenses (including without limitation travel expenses) incurred by Sentinel or such service providers in connection with its performance of services for such portfolio company. This subjects Sentinel 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 may be substantial. Sentinel 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 Sentinel or such service providers generally is subject to: agreements with 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.

Sentinel generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Sentinel or a related person of Sentinel (which may include a portfolio company of such Fund) or (ii) an entity with which Sentinel or its affiliates or current or former members of their personnel has a relationship or from which Sentinel or its affiliates or their personnel otherwise derives financial or other benefit. This subjects Sentinel to conflicts of interest, because although Sentinel 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, Sentinel may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Sentinel, because of such belief or for other reasons, 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 Sentinel 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.

Sentinel and/or its 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 Sentinel and/or its affiliates; conversely, former personnel or executives of Sentinel and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Sentinel. Similarly, Sentinel, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers 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, Sentinel and/or its affiliates, and/or the Funds or other investment vehicles they advise. Sentinel 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, will provide Sentinel information about markets and industries in which Sentinel operates (or is contemplating operations) or will provide other services that are beneficial to Sentinel. Sentinel may have a conflict of interest in making such recommendations, in that Sentinel 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.

Certain Operating Partners may, from time to time, buy or sell securities or other instruments that Sentinel has recommended to a Fund. In addition, officers, principals, employees and Operating Partners may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to the policies and procedures set forth in Sentinel's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

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

In addition, as described above, portfolio companies typically pay certain fees to Operating Partners and other third party consultants (including consultants introduced or arranged by Sentinel and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Operating Partners may make use of Sentinel resources or otherwise be associated with Sentinel. Sentinel and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Although the use of Operating Partners and the allocation of compensation paid to them by Sentinel, its affiliates and/or the portfolio companies may subject Sentinel and/or its affiliates to potential conflicts of interest. Sentinel believes 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 the Operating Partner is lower than market rates for the services provided and/or if the quality of the services of the Operating Partner make a greater contribution to the success of the portfolio company. Although Sentinel seeks to retain Operating Partners with a view to reducing costs to portfolio companies and, ultimately, the Funds, and improving the likelihood of success, a number of factors may result in limited or no cost savings and value-added services from such retention or limited success. Sentinel also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Sentinel believes will align such persons' interests with those of the Funds' limited partners.

Inherent in the fact that a Fund (like private equity funds generally) has a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Sentinel may not otherwise have done so.

Sentinel may enter into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms.

Any of these situations subjects Sentinel and/or its affiliates to potential conflicts of interest. Sentinel attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Sentinel 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, Sentinel will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Sentinel consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

#### **DISCIPLINARY INFORMATION**

Sentinel 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**

Sentinel LLC is affiliated with other Sentinel investment advisers registered with the SEC under the Advisers Act pursuant to Sentinel LLC's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Sentinel LLC and serve as managers or general partners of Private Investment Funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Advisers have adopted the Sentinel Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Sentinel principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Sentinel personnel to report their personal securities transactions, prohibits or requires pre-clearance for Sentinel personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Sentinel personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Sentinel Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any Limited Partner or prospective limited partner upon request to Douglas Levy, the Sentinel Chief Compliance Officer, at (212) 688-3100. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of the Advisers and their affiliates may directly or indirectly own an interest in Private Investment Funds, including the Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds. Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Additionally, the Funds and other Private Investment Funds may invest together with other funds advised by an affiliated adviser of Sentinel LLC in the manner set forth in their Limited Partnership Agreements. The Advisers will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with the Advisers' obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's governing documents, where applicable), investment and operating guidelines, diversification limitations, tax and regulatory considerations, minimum dollar limits and other relevant factors, including risk.

The Advisers and their affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for the Funds even though their investment objectives may be the same or similar.

The operative documents and investment programs of certain vehicles sponsored by Sentinel (the "**Reference Funds**") may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by Limited Partners (or their representatives) in such Reference Funds.

### **BROKERAGE PRACTICES**

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Advisers sell publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for

effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Advisers' Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund managed by the Advisers, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund. Research services may be shared among the Advisers and their affiliates.

The Advisers do not employ any agreement or formula for the allocation of brokerage business on the basis of research services; however, the Advisers may, in their discretion, cause the Private Investment Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Advisers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Advisers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Advisers will periodically determine which brokers have provided research that has been helpful in the management of Private Investment Funds. To the extent consistent with the Advisers' goal to obtain best execution for the Funds, the Advisers may seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Adviser allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Private Investment Funds' interest in receiving most favorable execution.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, the Advisers may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, the Advisers may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund of the Advisers is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price



obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Private Investment Funds over time.

In Sentinel's private company securities transactions on behalf of the Funds, Sentinel 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, Sentinel 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 Sentinel 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, Sentinel LLC closely monitors companies in which the Funds invest, and the Sentinel Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

Each Fund will provide to each of its Limited Partners (i) annual audited and quarterly unaudited financial statements prepared in accordance with generally accepted accounting principles as promulgated in the United States, (ii) annual tax information for each Limited Partner's tax return and (iii) reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

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

Sentinel LLC and/or its affiliates may provide certain business or consulting services to companies in each Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Funds' Limited Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by Funds. However, in other cases (e.g., reimbursements for out-of-pocket expenses directly related to a portfolio company or services by a Sentinel employee as a bona fide portfolio company employee), these fees may be in addition to Management Fees. See "Fees and Compensation."

From time to time, the Advisers may enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential Limited Partner becoming a Limited Partner in a Fund or other Private Investment Fund. Any fees and expenses payable to any such placement agents will be borne by Sentinel LLC indirectly through an offset against the Management Fee. For Fund III, Credit Suisse First Boston was retained as a

placement agent in connection with the formation of the Fund in exchange for \$4,370,125. For Fund IV, Credit Suisse Securities (USA) LLC was retained as a placement agent in connection with the formation of the Fund in exchange for \$5,890,000. For Fund V, Credit Suisse Securities (USA) LLC was retained as a placement agent in connection with the formation of the Fund in exchange for \$2,500,000.

### **CUSTODY**

Sentinel LLC maintains custody of the Funds' assets held in each Fund's name with the following qualified custodians: Citibank, N.A.

### **INVESTMENT DISCRETION**

Sentinel LLC has discretionary authority to manage the investments on behalf of each Fund pursuant to the respective Limited Partnership Agreements described under "Advisory Business." As a general policy, the Advisers do not allow clients to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, the Advisers may enter into "side letter" arrangements with certain Limited Partners whereby the terms applicable to such Limited Partners' investment in the Funds may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Sentinel LLC assumes this non-discretionary authority pursuant to the terms of the Limited Partnership Agreements.

### **VOTING CLIENT SECURITIES**

The Advisers have adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for each Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Each of the Advisers generally believes its interests are aligned with those of Funds' Limited Partners through the principals' beneficial ownership interests in the Funds and therefore will not seek Limited Partner approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of the Funds' advisory boards on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Funds' advisory boards may approve an Adviser's vote in a particular solicitation. The Advisers do not consider service on portfolio company boards by Sentinel personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Funds. If you would like a copy of the Advisers' complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, please contact Douglas Levy, the Sentinel Chief Compliance Officer, at (212) 688-3100 and it will be provided to you at no charge.

### **FINANCIAL INFORMATION**

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

## **SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF SENTINEL**

### **David S. Lobel**

#### *Educational Background and Business Experience*

David S. Lobel, born 1953, founded Sentinel in 1995 and serves as Sentinel's Managing Partner. Previously, he spent 15 years at Smith Barney's private equity affiliate. Mr. Lobel joined Smith Barney in 1981 and served as a general partner of funds managed by Smith Barney from 1983 to 1995 before leaving to form Sentinel. He also served as a managing director of Smith Barney. From 1979 to 1981, Mr. Lobel was a consultant at Bain & Company. He received an MBA and an MS from Stanford University in 1979 and 1978, respectively. Mr. Lobel, who was born in South Africa, received a B.Sc. (Hons) from the University of the Witwatersrand in 1975. He served in the South African Navy, where he graduated first in his class. Mr. Lobel currently is a director of National Spine & Pain Centers, Spinrite, and TGI Fridays.

#### *Disciplinary History*

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

#### *Other Business Activities*

Mr. Lobel serves as a director and member of the Investment Committee (a subcommittee of the board of directors) of PEF Israel Endowment Fund, a charity. The Investment Committee, on behalf of PEF Israel Endowment Fund, selects third-party investment managers to manage the assets of PEF Israel Endowment Fund that are available for investment, determines allocations of such available investment assets among such third-party investment managers and determines the allocation of investments between equity securities and debt securities. Otherwise, Mr. Lobel is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

#### *Additional Compensation*

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

#### *Supervision*

As the founder and managing partner of Sentinel, Mr. Lobel is responsible for implementing and overseeing the investment strategy of the clients of Sentinel. Mr. Lobel is not subject to the supervision of any other individual other than, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.

## **John F. McCormack**

### *Educational Background and Business Experience*

John F. McCormack, born 1959, co-founded Sentinel in 1995 and serves as Senior Partner. Previously, he spent five years as an investment professional at Smith Barney's private equity affiliate, where he worked closely with David Lobel. Before joining Smith Barney, Mr. McCormack spent seven years at Coopers & Lybrand, where his principal assignments included due diligence and acquisition reviews of target investment opportunities for investment firms. He is a CPA (New York) and holds a BS, cum laude, from Boston College. Mr. McCormack is currently a director of Checkers, Colson, Huddle House, Power Products, TGI Fridays, and Wellspring Pharmaceuticals Corp.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. McCormack is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

### *Additional Compensation*

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

### *Supervision*

As the co-founder and senior partner of Sentinel, Mr. McCormack is responsible for implementing and overseeing the investment strategy of the clients of Sentinel. Mr. McCormack is subject to the supervision of Mr. Lobel, who oversees all of the investment activities of Sentinel LLC and its affiliates as well as, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.

## **Eric D. Bommer**

### *Educational Background and Business Experience*

Eric D. Bommer, born 1968, is a partner of Sentinel. He joined Sentinel in 1997 as a vice president. Previously, Mr. Bommer spent two years as an associate at the Kaizen Breakthrough Partnership, a private equity fund that specialized in investing in underperforming middle-market companies. From 1993 to 1995, he worked as an analyst in CS First Boston's investment banking program. From 1992 to 1993, Mr. Bommer was a financial analyst at LaSalle Partners, a real estate investment firm. From 1991 to 1992, he was captain of the Livingston Kings, a Scottish professional hockey team. Mr. Bommer holds a BA from Brown University. He currently serves as a director of Credit Infonet, Hollander, IEP Technologies, PlayCore, Power Products, Spinrite, and Wellspring Pharmaceuticals Corp.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Bommer is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

### *Additional Compensation*

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

### *Supervision*

Mr. Bommer is subject to the supervision of the Mr. Lobel and Mr. McCormack, who oversee all of the investment activities of Sentinel and its affiliates as well as, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.

## **James D. Coady**

### *Educational Background and Business Experience*

James D. Coady, born 1969, is a partner of Sentinel. He joined Sentinel in 1998 as a vice president. From 1995 to 1998, Mr. Coady was an associate at First Chicago Equity Capital, the private equity division of First Chicago NBD that specialized in investing in middle-market companies. Previously, he spent two years as an investment banking analyst at Alex. Brown & Sons. Mr. Coady holds an MBA from Northwestern University's J.L. Kellogg Graduate School of Business and an AB from Harvard University. He currently serves as a director of Checkers, Colson, Credit Infonet, Huddle House, Newk's, RotoMetrics, and Vintage Parts.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Coady is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

### *Additional Compensation*

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

### *Supervision*

Mr. Coady is subject to the supervision of the Mr. Lobel and Mr. McCormack, who oversee all of the investment activities of Sentinel and its affiliates as well as, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.

## **Paul F. Murphy**

### *Educational Background and Business Experience*

Paul F. Murphy, born 1965, is a partner of Sentinel. He joined Sentinel in 2000 as a principal. From 1997 to 2000, he was a director at Dilmun Investments, Inc., the U.S. private equity affiliate of Bahrain International Bank E.C. While at Dilmun, Mr. Murphy focused on private equity investments in middle-market companies. Prior to Dilmun, Mr. Murphy was a vice president in the Financial Buyers Group at NationsBanc Capital Markets, where he provided debt and equity financing for leveraged buyouts and recapitalizations. Previously, he spent two years as an associate in the Merchant Banking Group of Chase Manhattan Bank, where he focused on private equity and subordinated debt investments in middle-market companies. Mr. Murphy holds an MBA from Georgetown University and a BS from the United States Military Academy at West Point. He spent five years as an artillery officer in the U.S. Army and attained the rank of captain. Mr. Murphy currently serves as a director of Critical Solutions International, Hospice Advantage, National Spine & Pain Centers, North American Rescue, and Northeast Dental Management,.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Murphy is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

### *Additional Compensation*

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

### *Supervision*

Mr. Murphy is subject to the supervision of the Mr. Lobel and Mr. McCormack, who oversee all of the investment activities of Sentinel and its affiliates as well as, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.

## **Michael J. Fabian**

### *Educational Background and Business Experience*

Michael Fabian, born 1977, is a Partner of Sentinel Capital Partners, which he joined in 2006 as a senior associate. From 2003 to 2006, Mr. Fabian was an associate at Blue Point Capital Partners, a lower middle market private equity firm. Previously, he was an associate at Brown, Gibbons, Lang & Co., a middle market investment banking firm, an analyst at Deutsche Banc Alex Brown, and an analyst at Conway, DelGenio, Gries & Co., a restructuring advisory boutique. Mr. Fabian holds an MA in economics from New York University and a BBA degree, summa cum laude, from the University of Notre Dame. He is also a Chartered Financial Analyst. Mr. Fabian currently serves as a director of Checkers, Hollander, Hospice, Huddle House, IEP Technologies, National Spine & Pain Centers, Newk's, and Northeast Dental Management.

### *Disciplinary History*

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

### *Other Business Activities*

Mr. Fabian is not engaged in any investment-related business outside of his roles with Sentinel LLC and its affiliates.

### *Additional Compensation*

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

### *Supervision*

Mr. Fabian is subject to the supervision of the Mr. Lobel and Mr. McCormack, who oversee all of the investment activities of Sentinel and its affiliates as well as, with respect to compliance matters, Douglas Levy, the Sentinel Chief Compliance Officer.