

Investment Adviser Brochure

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This brochure provides information about the qualifications and business practices of Lion Capital (Americas) Inc. (“Lion Capital (Americas)”). If you have any questions about the contents of this brochure, please contact us at (310) 800 1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lion Capital (Americas) also is available on the SEC’s website at www.adviserinfo.sec.gov

While Lion Capital (Americas) is a registered investment adviser, such registration does not imply a certain level of skill or training.

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1. Material Changes

Lion Capital (Americas) filed its most recent Form ADV Part 2 on March 31, 2015. This annual amendment updates the description of the business practices of Lion Capital (Americas), specifically with regard to the following points:

- Assets under Management now disclosed as at December 31, 2015.
- Following a restructuring effective July 16, 2015, the General Partner of Lion Capital Fund II and Lion Capital Fund III is now Lion Capital II GP Limited and Lion Capital III GP Limited, respectively.
- Lion Capital 2015 Fund enters its investment period with effect from April 1, 2016. Lion Capital 2015 GP Limited is the General Partner of the Fund, and Lion Capital LLP acts as Manager.

2. Advisory Business

Lion Capital (Americas) was incorporated in Delaware on May 19, 2008 as Lion Capital Inc. It changed its name to Lion Capital (Americas), Inc. on May 27, 2008. The company is a wholly owned subsidiary of Lion Capital LLP, which is authorized and regulated by the United Kingdom Financial Conduct Authority. Lion Capital LLP was registered in 2004 and is based in the United Kingdom. Lyndon Lea, Managing Partner of Lion Capital LLP, is the controller of Lion Capital LLP.

Lion Capital (Americas) has a sub-advisory arrangement with Lion Capital LLP. Lion Capital LLP is a consumer-focused investment firm that manages limited partnership funds (each a “Fund” and collectively, the “Funds”) on behalf of largely institutional investors. It seeks to make control private equity investments in mid- and large-sized, consumer-oriented businesses in Europe and North America. Lion Capital (Americas) provides non-discretionary investment advice to Lion Capital LLP in respect of investments in North America that Lion Capital LLP may consider making on behalf of the Funds.

The limited partnership agreements of each Fund are negotiated with the investors as a group and define investment policies and restrictions. Some investors are granted opt-out arrangements if they are unable to invest in certain companies or sectors due to certain reasons. Lion Capital (Americas) provides advice to Lion Capital LLP and does not provide advice with respect to any particular investor in a Fund.

Lion Capital (Americas) sub-advised approximately \$1.36 billion of assets on a non-discretionary basis as of December 31, 2015.

3. Fees and compensation

The general partners of the Funds are Lion Capital General Partner LLP for Lion Capital Fund I, Lion Capital II GP Limited and Lion Capital III GP Limited for Lion Capital Fund II and Lion Capital Fund III, respectively, and Lion Capital 2015 GP Limited in respect of Lion Capital 2015 Fund (“2015 Fund”). Lion Capital LLP acts as manager to Lion Capital Fund I, II, III, and 2015 Fund, and receives management fees from the general partners in return for providing those

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management services. These fees are determined by reference to the general partner's share received by the GP entities from Lion Capital Fund II, III and 2015 Fund.* During the investment period this general partner's share is a fixed percentage of fund commitments. After the end of the investment period or in specified circumstances, the general partner's share is calculated at a fixed percentage of the cost of unrealized investments.

Lion Capital LLP is a member of Lion Capital General Partner LLP in addition to receiving management and oversight fees from companies in the Funds' investment portfolios which are wholly or partially offset against the general partner share depending upon the terms agreed with the investors in a particular fund. Lion Capital LLP and its affiliates (including Lion Capital (Americas)) recover directly or indirectly from companies in the Funds' investment portfolios expenses incurred by their members, directors and employees in connection with any positions they hold as directors or observers of such companies.

Lion Capital (Americas) has historically drawn a profit share from Lion Capital General Partner II LLP or Lion Capital General Partner III LLP, which prior to November 30, 2014 were the general partners of Lion Capital Fund II and Lion Capital Fund III. This profit share was broadly equal to Lion Capital (Americas) expenses plus a specified percentage.

Since November 30, 2014 Lion Capital (Americas) receives a fee for acting as an investment advisor to Lion Capital LLP, under a cost-plus arrangement. Lion Capital (Americas) does not charge fees directly to any of the Funds.

4. Performance based fees and Side-by-Side management

Neither Lion Capital (Americas) nor its supervised persons receive performance-based fees in respect of the services provided to their client, Lion Capital LLP.

5. Types of Clients

Lion Capital (Americas) provides non-discretionary investment advice only to Lion Capital LLP. Lion Capital LLP acts as manager to the Funds. Investors in the Funds typically comprise financial institutions and pension funds and rarely include private persons, and only if they are high net worth individuals with prior experience of the asset class. The limited partnership agreements for each Fund typically specify minimum investment levels.

6. Methods of Analysis, Investment Strategies and Risk of Loss

Lion Capital LLP is a specialized investment firm, focused on making control investments in mid- and large-sized, consumer-oriented businesses in Europe and North America. Lion Capital (Americas) provides non-discretionary advice to Lion Capital LLP in respect of investments in North America which Lion Capital LLP may consider making on behalf of the Funds. The

* Lion Capital 2015 Fund will enter its investment period on April 1, 2016; the investors therein will not incur fees until such date.

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investment process, from initial sourcing and screening, through to execution, financing, operational improvement and exit, is typically undertaken with the assistance of external advisers with their fees ultimately paid by the relevant Fund(s).

The following is a description of the methods of analysis and investment strategy of Lion Capital LLP generally. Lion Capital (Americas) utilizes generally the same methods and strategy in respect of the services it provides to Lion Capital LLP.

- *General Investment Approach.* Lion Capital LLP seeks to invest in a diversified portfolio of comparatively low volatility assets within which Lion Capital LLP is well placed to create equity value. Within the consumer sector, Lion Capital LLP believes that strong brands consistently provide the greatest source of sustainable competitive advantage and resilience through the economic cycle, making them the focus of Lion Capital LLP's investment approach.
- *Effective and Differentiated Investment Sourcing.* By focusing on a single sector, Lion Capital LLP develops relationships across the consumer space. Further, through a record of understanding consumer businesses and effecting lasting operational and strategic change, Lion Capital LLP has built a reputation as a constructive and valuable equity partner in transactions, bringing significant operational and strategic insight as well as the financial expertise to effectively manage leveraged capital structures.
- *Due Diligence.* Lion Capital LLP's insight into the consumer sector, and in particular the key attributes of successful branded businesses, enables it to conduct efficient and probing due diligence.
- *Strategic and Operational Change.* Lion Capital LLP's investments are predicated on significant strategic or operational change in each portfolio company. During the due diligence process, Lion Capital LLP's executives formulate the high level plan that will be implemented post-acquisition either in partnership with the existing management team, or with a new team put in place by Lion Capital LLP.

The risks of investments with respect to which Lion Capital (Americas) provides non-discretionary investment advice include, without limitation:

- *Business Risks.* The investments 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.
- *Investment in Junior Securities.* The securities recommended for investment may be among the most junior in a company's capital structure and, thus, be subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

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- *Projections.* Projected operating results of a company recommended for investment will normally be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company 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 effect on the reliability of projections.
- *Future and Past Performance.* The performance of prior investments recommended for investment by Lion Capital (Americas) is not necessarily indicative of future results of future recommended investments. On any given investment, loss of principal is possible.
- *Need for Follow-On Investments.* Following an initial investment in a given company, there may be the opportunity to increase such investment in a successful company. There is no assurance that such follow-on investments will be made. Any decision not to make follow-on investments may have a substantial negative effect on a company in need of such an investment or may result in a lost opportunity to increase participation in a successful operation.
- *Concentration of Investments.* A Fund participates in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.
- *Leveraged Investments.* Certain investments recommended to Lion Capital LLP may require the use of leverage. Leverage generally magnifies both the opportunities for gain and the risk of loss from a particular investment.
- *Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of the recommended investments, and hence, most of such investments will be difficult to value.
- *Reliance on Company Management.* Although Lion Capital (Americas) generally intends to recommend investments in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.
- *Public Company Holdings.* To the extent Lion Capital (Americas) recommends investment in a company that is or becomes publicly held, such investments may be subject 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 to dispose of such securities at certain times,

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increased likelihood of shareholder litigation against such companies' board members, and increased costs associated with each of the aforementioned risks.

- *Director Liability.* Lion Capital (Americas) may help obtain the right to appoint a representative to the board of directors (or similar governing body) of the companies in which it recommends an investment. Serving on the board of directors (or similar governing body) of a company exposes board members and those they act on behalf of to potential liability. Not all companies may obtain insurance with respect to such liability, and the insurance that companies do obtain may be insufficient to adequately protect officers and directors from such liability.
- *Uncertain Economic and Political Environment.* The current global economic and political climate is one of uncertainty. This may have an adverse effect on the economy generally and on the ability of Lion Capital (Americas) and the companies it recommends for investment 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, reducing the accuracy of the financial projections.
- *Market Conditions.* Any material change in the economic environment could have a negative impact on the performance and/or valuation of the companies Lion Capital (Americas) recommends for investment. The performance of such companies can be affected by deterioration in public markets and by market events, which can impact the public market comparable earnings multiples used to value privately held companies. Movements in foreign exchange rates may adversely affect the value of investments in such companies.
- *Indemnification.* A Fund will be required to indemnify Lion Capital LLP and its affiliates and other persons who serve at the request of Lion Capital LLP and its affiliates on behalf of a Fund for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material.
- *Co-investments.* Third parties may co-invest through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that such party may have financial difficulties that negatively impact such investment or may have economic or business interests that conflict with Lion Capital LLP or a Fund.
- *Currency Risk.* Investments are likely to be made and realized in currencies other than the base reporting currency of a Fund. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments in a Fund. Movements in the foreign exchange rate may have an impact upon such investor's returns in their own currency of account.

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- *Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a Fund portfolio company is subject to cyber-attack or other unauthorized access is gained to a Fund portfolio company's systems, such Fund portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or Fund portfolio company financial information; (iii) Fund portfolio company software, contact lists or other databases; (iv) Fund portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a Fund portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Fund portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Lion Capital (Americas) or Lion Capital LLP or a service provider holding financial or investor data, Lion Capital (Americas), Lion Capital LLP and/or the Funds may also be at risk of loss.

7. Disciplinary Information

There are no disciplinary events to disclose.

8. Other Financial Industry Activities and Affiliations

Lion Capital (Americas) is a wholly-owned subsidiary of Lion Capital LLP. Lion Capital LLP is authorized and regulated by the United Kingdom Financial Conduct Authority and has filed an exemption with the SEC to be treated as an exempt reporting adviser.

9. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Lion Capital (Americas) has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Code"), which sets forth standards of conduct that are expected of the Lion Capital (Americas) personnel and addresses conflicts that arise from personal trading. The Code requires personnel to report their personal securities transactions and prohibits Lion Capital (Americas) personnel's direct or indirect acquisition of beneficial ownership of securities in an initial public offering or in a limited offering, in each case, without first obtaining approval from the Lion Capital (Americas) Chief Compliance Officer. A copy of the Code will be provided to any client or prospective client upon request to Richard Lewis at +44 (0) 207 201 2247 or lewis@lioncapital.com. Personal securities transactions by personnel are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

Lion Capital (Americas) and its affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Lion

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Capital (Americas) and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Lion Capital (Americas), and the Code prohibits such disclosure or use. Accordingly, should Lion Capital (Americas) or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Lion Capital (Americas) would be prohibited from communicating such information to Lion Capital LLP in respect of the Funds, and Lion Capital (Americas) will have no responsibility or liability for failing to disclose such information as a result of following its policies and procedures designed to comply with applicable law.

Personnel of Lion Capital (Americas) may directly or indirectly own an interest in the Funds or certain co-investment vehicles. Lion Capital (Americas) believes such interests do not create a conflict of interest and instead operate to align the interests of Lion Capital (Americas) personnel with the Funds. To the extent that co-investment vehicles exist, conflicts of interest are managed by requiring that such vehicles invest *pari passu* alongside a Fund.

Lion Capital (Americas) and its affiliates and their personnel may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to other accounts or in respect of certain vehicles which may differ from advice given to Lion Capital LLP.

10. Brokerage Practices

The Funds very rarely hold listed investments and undertake a minimal level of transactions with broker-dealers. Lion Capital (Americas) in particular does not use the services of broker-dealers and does not select or recommend broker-dealers. Therefore, Lion Capital (Americas) does not benefit from soft dollar arrangements and does not have a need to aggregate the purchase or sale of securities for client accounts.

11. Review of Accounts

The limited partnership agreements for the Funds are agreed with investors at inception. Any material changes require the investors' prior approval in accordance with the applicable limited partnership agreement. Lion Capital LLP monitors compliance with the agreements on an ongoing basis, most specifically whenever Lion Capital LLP makes a new investment; calls/distributes cash from/to investors; or pays monies out of a Fund. These reviews are usually performed by the Lion Capital LLP partner responsible for investor relations. Because Lion Capital (Americas) has a non-discretionary sub-advisory arrangement, it does not typically have a need to conduct such reviews.

Lion Capital LLP provides written reports to investors within 60 days of the end of March, June and September quarter-ends and provides audited reports within 90 days of the December year end. These reports include a review of the performance of each investment and the applicable Fund as a whole together with financial statements for the Fund. Lion Capital (Americas) provides reporting to Lion Capital LLP upon request.

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Lion Capital LLP holds an annual investor meeting each year to which all limited partners of the Funds are invited.

12. Client Referrals and Other Compensation

Lion Capital LLP receives management and oversight fees from companies in the Funds' investment portfolios. Lion Capital LLP manages any conflict this might create by wholly or partially offsetting such fees against the general partner share. Lion Capital (Americas)'s compensation is limited to the fee it receives from Lion Capital LLP.

Lion Capital LLP uses a placement agent to assist with fundraising activities and takes certain measures to ensure that the placement agent is registered with the Securities and Exchange Commission as a broker-dealer (if relevant) and complies with the Lion Capital LLP written Code of Investor Conduct. Lion Capital (Americas) does not use the services of a placement agent nor does it compensate any other third party for client referrals.

13. Custody

Lion Capital (Americas) does not maintain custody of client funds or securities.

14. Investment Discretion

Lion Capital (Americas) has a non-discretionary sub-advisory arrangement with Lion Capital LLP.

15. Voting Client Securities

The limited partners in the Funds are passive investors and have minimal ability to influence voting decisions. Lion Capital LLP, as manager of Lion Capital Fund I, II, III, and 2015 Fund, exercises voting rights on behalf of such Funds. Lion Capital (Americas) does not have and will not accept the authority to vote Lion Capital LLP or Fund securities.

16. Financial Information

Lion Capital (Americas) does not require or solicit prepayment of management fees six months or more in advance, does not have discretionary authority over or custody of client funds or securities and does not have any other events requiring disclosure under this item.

17. Requirements for State-Registered Advisers

Not applicable.