

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

WILLIS STEIN & PARTNERS MANAGEMENT III, L.L.C.

**Willis Stein & Partners Management III, L.L.C.
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March 30, 2017

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Willis Stein & Partners Management III, L.L.C. (“Management III”). If you have any questions about the contents of this Brochure, please contact us at (312) 422-5289. 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.

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

MATERIAL CHANGES

Willis Stein & Partners Management III, L.L.C. (“**Management III**”) filed its most recent Form ADV Part 2 on March 30, 2016. This annual amendment updates the description of the business practices of Management III and its affiliates.

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ADVISORY BUSINESS

Willis Stein & Partners Management III, L.L.C. (“**Management III**”), the registered investment adviser, is a Delaware limited liability company. Management III commenced operations in March, 2000. Management III is affiliated with Willis Stein & Partners Management III, L.P. (the “**General Partner**” and together with Management III and their affiliated entities, “**Willis Stein**” or the “**Advisers**”), an investment adviser registered under the Advisers Act pursuant to Management III’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with Management III.

The General Partner serves as general partner to the Funds, as defined below, and has the authority to make investment decisions on behalf of such Funds.

Willis Stein provides discretionary investment advisory services to its clients, which consist of private investment-related funds. Willis Stein’s clients include the following (each, a “**Fund**,” and collectively, the “**Funds**”):

- Willis Stein & Partners III, L.P.
- Willis Stein & Partners Dutch III-A, L.P.
- Willis Stein & Partners Dutch III-B, L.P.
- Willis Stein & Partners III-C, L.P.

Interests in the Funds were privately offered to qualified investors in the United States and elsewhere. The Funds invest through negotiated transactions in operating companies, generally referred to herein as “portfolio companies.” Willis Stein’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Willis Stein may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds.

Willis Stein’s advisory services for each Fund are detailed in the applicable offering memorandum (each, a “**Memorandum**”) and limited partnership agreements (each, a “**Limited Partnership Agreement**”) and together with the Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds or Willis Stein may enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund’s Limited Partnership Agreement.

As of December 31, 2016, Willis Stein managed \$354,968,051 in client assets on a discretionary basis. Management III is principally owned by Avy H. Stein.

FEES AND COMPENSATION

The following is a general description of fees, compensation, and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation, or expenses that other Funds charge. The Limited Partnership Agreements of the Funds describe fees, compensation and expenses in greater detail.

In general, the General Partner receives a management fee and a carried interest in connection with advisory services. The General Partner or other Willis Stein entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies (*e.g.*, monitoring and other fees) of Funds. Investors in the Funds also bear certain fund expenses, as described below and in the Limited Partnership Agreements.

Management Fees

Each Fund has agreed to pay the General Partner an annual management fee (the “**Management Fee**”) equal to specified percentage of aggregate Fund investor capital commitments. The Management Fee is payable on a semi-annual basis partially in arrears and partially in advance. Investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing of such Fund. The Management Fee may be reduced upon the expiration of the investment period or earlier upon the occurrence of certain other events as described in the applicable Fund’s Governing Documents. In addition, the Management Fee generally will be reduced by all or a portion of any transaction fees, monitoring fees, directors’ fees, financial consulting fees or advisory fees paid to, or earned by, the relevant General Partner or its affiliate with respect to any Fund investment and any break-up fees with respect to Fund transactions not completed that are paid to the relevant General Partner. The Management Fee generally is payable until all portfolio investments are distributed or until the General Partner’s relationship with the applicable Fund is terminated for other reasons (as described in the Governing Documents). Installments of the Management Fee payable for any period other than a full Management Fee determination period are adjusted on *pro rata* basis according to the actual number of days in such period.

As permitted under the Governing Documents for each Fund, the General Partner may waive or reduce a portion of the Management Fee in exchange for a reduction in the General Partner’s capital contribution obligation and/or a corresponding interest in Fund profits. The limited partners of a Fund may be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver or reduction may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees may be significant.

Carried Interest

The General Partner is entitled to receive a carried interest with respect to the relevant Fund equal to a specified percentage of all profits (in certain cases subject to a specified preferred return with a related General Partner catch-up provision), as more fully described in the Governing Documents. Any carried interest distributed to the General Partner is subject to a potential giveback at the end of the life of a Fund if the General Partner has received excess cumulative distributions.

Other Information

The 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 Agreement, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

The Advisers generally may exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, investment through a separate class of limited partnership interests of a given Fund, or through other Funds which co-invest with the Funds.

Principals or other current or former employees of Willis Stein may receive a portion of any Management Fee, carried interest or other compensation received by the General Partner.

In addition to any Management Fee and carried interest payable to the General Partner, each Fund bears certain expenses. Each Fund generally will pay all other costs and expenses of the Fund that are not reimbursed by portfolio companies, generally including legal, auditing, travel, consulting and accounting expenses (including expenses associated with the preparation of the Fund's financial statements, tax returns and Schedule K-1s), expenses of the board of advisors and annual meetings of the limited partners, insurance and other expenses associated with the acquisition, holding and disposition of its investments, all third-party expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund.

Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the General Partner is entitled to receive a carried interest allocation on certain realized profits in certain of the Funds. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the Funds it manages. See "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

TYPES OF CLIENTS

Willis Stein provides investment advice to Funds. 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 Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Willis Stein and its affiliates.

The Funds generally have a minimum investment amount of \$10 million for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended. Willis Stein may waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Willis Stein typically acquires controlling interests in middle-market companies located in the Midwest and across the United States.

The following is a summary of the investment strategies and methods of analysis generally employed by Willis Stein on behalf of the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis are included in the relevant Memorandum and other Governing Documents for each Fund. There can be no assurance that Willis Stein will achieve the investment objectives of the Funds and a loss of investment is possible.

Investment and Operating Strategy

Willis Stein focuses on three vertical sectors of the economy - consumer services, education and specialized business services. Willis Stein’s investment professionals are organized around these sectors, and transaction teams include a veteran industry executive advisor and a seasoned operating executive with experience managing in a leveraged environment.

Willis Stein follows a research-based approach to seek to identify attractive companies with strong economic characteristics within its targeted industries. Willis Stein looks for companies with what it believes to be a sustainable competitive advantage and the potential to accelerate earnings growth.

Identifying Opportunities. Willis Stein seeks to generate proprietary and traditionally sourced investment opportunities in middle market companies located in the Midwest and across the United States. In evaluating investment opportunities, Willis Stein looks for companies that it believes possess the following core attributes:

- Strong franchise value, brand awareness and distribution
- Distinctive market positions and competencies in established, growing markets
- Significant potential for earnings growth through operational, financial or management improvement
- Presence in a fragmented industry with opportunity for consolidation

Building Value. Willis Stein seeks to identify the primary levers for value creation and develops well-defined business plans prior to investing to support each acquired portfolio company's targeted growth objectives. These plans include identifying operating initiatives to attempt to drive revenue, earnings and market share growth by employing strategies such as:

- Expand product offerings
- Enter new end markets and geographies
- Invest in profitable capacity expansion and/or redesign
- Identify acquisition targets
- Expand sales and marketing efforts
- Streamline business processes to create additional operating efficiencies
- Manage the balance sheet to create cash flow and support growth
- Develop results-oriented performance measurement systems
- Align interests between managers and owners

Realizing Value. Willis Stein seeks to be disciplined in its approach to portfolio company exits and generally invests only in transactions where multiple exit options are identified prior to investment, including prospective strategic acquirers as well as large financial buyers with interest in that particular industry. Before acquiring a company, Willis Stein identifies and analyzes potential acquirers, along with other potential exit options, and develops a business plan intended to create an attractive asset for the targeted acquirers. Post-acquisition, the strategic and operating plans are regularly reviewed and modified as market conditions and likely acquirers change. In addition, Willis Stein regularly evaluates financial options such as recapitalization and public offerings to seek to improve the company's balance sheet, create awareness of the asset by targeted acquirers, and ultimately maximize return on each investment.

Risks of Investment

The Funds and their investors bear the risk of loss that Willis Stein's investment strategy entails. Although the following risk factors are generally applicable to Willis Stein's Funds, investors should also refer to each Fund's Memorandum for risk factors specific to their Fund.

The risks involved with Willis Stein's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. Each Fund's investment portfolio consists 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 performance of Willis Stein's prior investments is not necessarily indicative of a Fund's future results. While Willis Stein intends for the Funds' investments to have estimated returns commensurate with the risks undertaken, there can be no assurances that positive returns will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Funds 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.

Concentration of Investments. The Funds participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Leveraged Investments. The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its 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, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also 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 a Fund's 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 Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund invests generally will not be rated by a credit rating agency.

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

Projections. Projected operating results of a company in which a Fund invests normally will 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.

Director Liability. The Funds often obtain the right to appoint one or more representatives to the board of directors of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio 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. Prior acts of terrorism in the United States, the threat of additional terrorist strikes 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 a 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 a Fund makes investments.

Conflicts of Interest

Willis Stein and its related entities engage in a 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 the Funds and portfolio companies. In the ordinary course of an Adviser conducting

its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

During the commitment period of a Fund, Willis Stein pursues all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions. However, Willis Stein may manage other investment funds and investments similar to those in which the Funds invest, and may direct certain relevant investment opportunities to those investment funds and investments. Willis Stein's investment staff will continue to manage and monitor such investment funds and investments. Willis Stein's significant investment in the Funds, as well as Willis Stein's interest in the carried interest, operate to align, to some extent, the interest of Willis Stein with the interest of the limited partners in such Fund. Although Willis Stein may have economic interests in such other investment funds and investments as well and receive Management Fees and carried interests relating to such interests. Such other investment funds and investments that Willis Stein may control may compete with the Funds or companies acquired by the Funds. Following the commitment period of a Fund, Willis Stein may and likely will focus its investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Willis Stein may be presented with investment opportunities that would be suitable for more than one of the Funds and also for other investment vehicles operated by advisory affiliates of Willis Stein. In determining which investment vehicles should participate in such investment opportunities, Willis Stein and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Willis Stein attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Willis Stein's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Funds and such other investment vehicles in a fair and equitable manner and consistent with the applicable Governing Documents. Where necessary, Willis Stein consults and receives consent to conflicts from an advisory board consisting of limited partners of the Funds and such other investment vehicles.

Additionally, a portfolio company typically will reimburse Willis Stein and/or its affiliates or service providers retained at Willis Stein and/or its affiliates' discretion for expenses (including without limitation travel expenses) incurred by Willis Stein or such service providers in connection with its performance of services for such portfolio company. This subjects Willis Stein 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. Willis Stein 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, any fee paid or expense reimbursed to Willis Stein 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.

Because the General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for Willis Stein to cause a Fund to make riskier or more

speculative investments than would otherwise be the case. However, Willis Stein believes that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of Willis Stein with that of the funds.

As a result of the Funds' controlling interests in portfolio companies, Willis Stein and/or its 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 Willis Stein and/or its affiliates. Willis Stein 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 Willis Stein and/or its affiliates. Additionally, Willis Stein, its affiliates and/or 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 to (including services at reduced rates) to Willis Stein and/or its affiliates and/or the Funds or other investment vehicles they advise. In addition, portfolio companies may from time to time pay certain fees to third party consultants (including consultants introduced or arranged by Willis Stein and/or its affiliates that may regularly provide services to one or more Fund portfolio companies), and such fees generally will not offset the management fee.

Any of these situations subjects Willis Stein and/or its affiliates to potential conflicts of interest. Willis Stein attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Willis Stein's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Willis Stein will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Willis Stein 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

Willis Stein 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

As described under "Advisory Business" above, Management III is affiliated with the General Partner, which is registered with the SEC under the Advisers Act pursuant to Management III's registration in accordance with SEC guidance. The General Partner operates as a single advisory business together with Management III and serves as general partner of Funds and such entities may share common owners, officers, partners, consultants or persons occupying similar positions. See Section 5, "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

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

Willis Stein has adopted the Willis Stein Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Willis Stein principals and employees and addresses conflicts that arise from personal trading. The Code requires Willis Stein personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any securities in an initial public offering or a limited offering in each case, without first obtaining approval from the Managers’ Chief Compliance Officer.
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any client or prospective client upon request to, the Willis Stein Chief Compliance Officer, at (312) 422-5289. Personal securities transactions by Willis Stein personnel are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Willis Stein 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, Willis Stein 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 Willis Stein.

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

Principals and employees of Willis Stein and its affiliates may directly or indirectly own an interest in 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. Willis Stein believes that such interests do not create a conflict of interest and instead operate to align the interests of Willis Stein.

The Funds may invest together with other private investment funds advised by an affiliated adviser of Willis Stein in the manner set forth in the applicable Limited Partnership Agreement. Willis Stein will allocate investment opportunities or advisory recommendations on

a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and the Willis Stein investment allocation policy.

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

From time to time, the General Partner may borrow funds on behalf of a Fund and contribute such borrowed amounts to the Fund as a special capital contribution for investment, to be returned to the applicable General Partner at a later date. Interest in connection with such borrowing is borne by the Fund as a Fund expense, consistent with the applicable Limited Partnership Agreement (or other Governing Document) and the expense policy described under “Fees and Compensation.” In borrowing on behalf of a Fund, the applicable General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. The General Partner will effect such borrowings in a manner it believes to be fair and equitable to the applicable Fund, consistent with the General Partner’s obligations to the Fund and the Limited Partnership Agreement (or other Governing Document).

The General Partner may recommend the purchase or sale of securities for Funds in which one or more of its partners, members, officers, directors, employees (and members of their families) or affiliates (“affiliated persons”), directly or indirectly, has a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the Funds. Certain of these transactions may require the consent of the applicable Funds.

BROKERAGE PRACTICES

Willis Stein focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Willis Stein may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Willis Stein does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Willis Stein sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Willis Stein. In such event, Willis Stein will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Willis Stein 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; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

Willis Stein has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Willis Stein generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Willis Stein seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Willis Stein generally does not make use of such services at the current time and has not made use of such services since its inception. As a general matter, research provided by these brokers would be used to service all of Willis Stein’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Willis Stein, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that Willis Stein 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 Funds’ interest in receiving most favorable execution.

Willis Stein does not anticipate engaging in significant public securities transactions; however, to the extent that Willis Stein engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, Willis Stein may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Willis Stein may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregate order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

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, Willis Stein closely monitors companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is managed in accordance with its stated objectives.

The Funds will furnish audited financial statements to their limited partners annually and unaudited financial statements and descriptive investment information for each portfolio company quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION

Willis Stein or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies. For example, Willis Stein may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions and (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company.

CUSTODY

As required by the Advisers Act, Willis Stein has established an account with each of the following qualified custodians to hold funds on behalf of the Funds:

- PrivateBancorp, Inc., 120 S. LaSalle Street, Chicago, IL 60603; and
- East West Bank, Three Newton Executive Park, 2223 Washington Street, Suite 306, Newton, MA 02462.

INVESTMENT DISCRETION

Willis Stein has discretionary authority to manage investments on behalf of the Funds. As a general policy, Willis Stein does not allow clients to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, Willis Stein may enter into side letter or similar arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons, Willis Stein assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Funds.

VOTING CLIENT SECURITIES

Willis Stein has adopted the Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for a Fund's portfolio investments. The Proxy Policy seeks to ensure that Willis Stein votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Willis Stein generally believes its interests are aligned with those of a Fund's investors, for example, through the principals' beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Willis Stein may address

the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board may approve Willis Stein's vote in a particular solicitation. Willis Stein does not consider service on portfolio company boards by Willis Stein personnel or Willis Stein's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Willis Stein when voting proxies on behalf of a Fund. For a copy of Willis Stein's complete Proxy Policy or information regarding how Willis Stein voted proxies for particular portfolio companies, clients and prospective clients should contact the Willis Stein Chief Compliance Officer, at (312) 422-5289, and it will be provided to such persons at no charge.

FINANCIAL INFORMATION

Willis Stein does not require or solicit prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.