

PART 2A OF FORM ADV

FIRM BROCHURE



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This Brochure provides information about the qualifications and business practices of Tower Arch Capital, L.P. If you have any questions about the contents of this Brochure, please call us at 801-997-5808. 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 securities authority, and references in this Brochure to Tower Arch Capital, L.P. as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Tower Arch Capital, L.P. is also available on the SEC’s website at www.adviserinfo.sec.gov

ITEM 2 – MATERIAL CHANGES

This Brochure, dated March 29, 2016, does not contain any material changes since the Other-than-Annual Amendment filing on October 13, 2015.

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ITEM 4 – ADVISORY BUSINESS

Item 4.A Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Tower Arch Capital, L.P. (“Tower Arch”) is a private equity firm focused on acquiring interests in privately held, lower-middle market companies. Tower Arch was formed in 2013.

The principal owners of Tower Arch are Rhett Neuenschwander, David Parkin, Ryan Stratton, and David Topham (collectively, the “Principals”). There are no greater than 25% owners of Tower Arch.

Tower Arch provides discretionary investment advisory services to privately offered pooled investment funds (the “Funds”).

Tower Arch advises two parallel funds, Tower Arch Partners I, LP (“TAP I”) and Tower Arch Partners I (Q), L.P. (“TAP I (Q)”).

In certain cases, Tower Arch has offered, and may in the future, offer to allow certain investors (including related persons of Tower Arch) the ability to co-invest along with the Funds in certain Portfolio Companies. In certain cases Tower Arch may form a co-investment vehicle to facilitate such investments (“Co-Investment Vehicle”). Such co-investments may or may not be subject to the fees described below in Item 5, or may be subject to different fee amounts and/or terms. Tower Arch or the applicable general partner may offer co-investment opportunities to some investors and not others, at the discretion of the General Partner.

In the future, Tower Arch may provide investment advisory services to other Funds or other clients.

Advisory Structure

The activities of each Fund are governed by a limited partnership agreement (each a “Fund Agreement”), that specifies the investment guidelines and investment restrictions applicable to each Fund.

Typically, an affiliate of Tower Arch serves as general partner of each of the Funds (the “General Partner”). The General Partner is a related person of Tower Arch. Tower Arch, together with the General Partner, provides investment management and/or investment supervisory services. The General Partner and Funds retain Tower Arch to provide investment management and advisory services. The General Partners retain management authority over the business and affairs of the Funds.

Item 4.B Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Tower Arch offers investment advice solely with respect to the investments made by the Funds. Such services consist of investigating, identifying, and evaluating investment opportunities; structuring, negotiating, and making investments on behalf of the Funds; managing and monitoring

the performance of such investments; and disposing of such investments. The Funds generally invest in equity securities issued by private companies (“Portfolio Companies”).

Tower Arch generally has broad and flexible investment authority with respect to the Funds. Each Fund’s investment objective and strategy is set forth in the respective Fund’s governing documents. All investors in the Funds (“Investors”) are provided with a Fund Agreement and, in the case of certain Funds, a confidential private placement memorandum prior to making an investment. Investors are urged to carefully review those documents prior to making an investment in the Fund.

Item 4.C Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.

Tower Arch tailors its investment advice to each Fund in accordance with the Fund’s investment objectives and strategy as set forth in the relevant Fund Agreement and, if applicable, confidential private placement memorandum. Certain investment limitations may be included in the Fund Agreements.

Tower Arch and/or the General Partners have and may in the future enter into side letter agreements with certain Investors. Side letters are negotiated prior to investment and may establish rights that supplement, or alter the terms of, the applicable Fund Agreement. Pursuant to such side letters, certain Investors have rights which are not available to other Investors (including, without limitation, most favored nations rights, advisory board representation, transparency rights, reporting rights, and co-investment rights).

Item 4.D If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Not applicable. Tower Arch does not participate in wrap fee programs.

Item 4.E If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date “as of” which you calculated the amounts.

As of December, 31 2015, Tower Arch and the General Partners manage approximately \$320,807,770 of Fund assets on a discretionary basis. Tower Arch does not have any clients whose assets are managed on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Item 5.A Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Any new Fund launched by Tower Arch may have materially different terms than those summarized below. The fees paid by the Funds are negotiable by Investors only prior to an investment in the Fund, at the discretion of the General Partner. The General Partner has reduced and waived fees for certain investors, including employees, officers, directors and other “friends and family” investors.

Management Fees

Tower Arch is generally compensated for its advisory services through asset-based management fees of 2.0% of capital commitments of the Investors during the investment period. After the investment period, the management fee is calculated based on the terms of the applicable Fund Agreement. The management fee is typically paid quarterly in advance.

Carried Interest

In addition, as described in more detail in Item 6 below, the General Partner receives a performance allocation (commonly referred to as “Carried Interest”) in each Fund generally once all capital contributions plus a preferred return, when applicable, have been returned to the Investors in the Fund (pursuant to the terms in each Fund Agreement).

In addition, Tower Arch and/or its affiliates perform advisory, management and other services (including serving on the board of directors) (“Additional Services”) for Portfolio Companies or prospective Portfolio Companies. Tower Arch and its affiliates may be compensated for such Additional Services which may include, but are not limited to monitoring activities, enhancement of operations, mergers and acquisitions, refinancings, public offerings, sales, and other transactions. These fees, which include transaction fees, are often substantial and may be paid in cash or in kind (via securities of the Portfolio Company). Fees may be fixed or determined by another metric, as detailed in an agreement with the Portfolio Company (“Services Agreement”). All such fees are subject to the management fee offset noted below.

Item 5.B Describe whether you deduct fees from *clients*’ assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

Tower Arch, or the General Partner, deducts the management fees applicable to the appropriate Fund directly from the Fund’s assets. Performance based compensation described in Item 6 below is paid to the relevant General Partner when earned. Funds do not have the ability to choose to be billed directly for fees incurred.

Item 5.C Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

As set forth in the Fund Agreements, each Fund shall bear its portion of the following costs and expenses with the formation, operation, dissolution, winding-up, or termination of the Fund: (i) out-of-pocket expenses associated with the organization of the General Partner or the Fund; (ii) legal, accounting, audit, tax compliance, custodial and other professional fees (including, without limitation, the fees and expenses of a third-party fund administrator); (iii) consulting fees relating to services rendered to the Fund that could not reasonably have been rendered by the General Partner or its members in the ordinary course of their activities; (iv) banking, brokerage, broken-deal, registration, qualification, finders, depositary and similar fees or commissions; (v) transfer, capital and other taxes, as well as charges, duties, fees, and any other costs (including broken-deal costs), incurred in acquiring, holding, selling or otherwise managing or disposing, or hedging against changes in the value, of Fund assets or obligations as well as out-of-pocket travel expenses incurred by the General Partner in investigating, evaluating or monitoring investments or investment opportunities; (vi) insurance premiums, indemnifications, costs of litigation and other extraordinary expenses; (vii) costs of financial statements and other reports to Investors; (viii) costs of meetings of the Investors and the advisory committee; (ix) interest expenses; (x) amounts paid to or for the benefit of Portfolio Companies other than as capital contributions thereto or in exchange for Securities issued thereby; (xi) the management fee; (xii) advertising and public notice costs; (xiii) costs and expenses associated with preparing Fund tax returns, making tax elections and determinations, and similar activities; (xiv) costs of Fund, General Partner and firm compliance with applicable securities laws and registration or licensing laws arising from the management of, or provision of advice to, the Fund; (xv) costs and expenses associated with the organization and maintenance of holding vehicles or other investment conduits; (xvi) taxes and other governmental charges imposed upon the Fund as an entity; and (xvii) any other expenses not listed in the preceding clauses (i) through (xvi) that are not normal operating expenses of the General Partner.

Each Fund will bear all liquidation costs, fees and expenses incurred in connection with its liquidation and winding up, including all legal and accounting fees and expenses. Each Fund will bear its and the relevant General Partner's organizational expenses, up to a maximum amount equal to the amount detailed in the respective Fund Agreement.

The above is just a general description and the expenses may vary from Fund to Fund and Investors are encouraged to refer to the applicable Fund Agreements.

We believe transparency is an important element of a strong relationship with our Investors. Although we provide detail regarding Fund expenses in the annual financial statements, to provide additional transparency, we have provided a summary of additional expenses below.

Allocation of Expenses

Fund expenses are allocated according to the relative capital commitments of the applicable funds. If any Fund expenses are associated with two or more Funds, such expenses will typically be allocated according to the relative aggregate capital commitments of the applicable funds. If in the future where one or more Co-investment Vehicles invest alongside a Fund into a specific investment, direct costs pertaining to such investment will typically be allocated based on the relative share of invested capital in such investment of the Fund and the applicable Co-investment Vehicles.

Senior Advisors

Tower Arch may hire various third parties consultants throughout the Funds' investment processes, including advisors who are former senior executives with operating,

entrepreneurial and/or investment experience as well as industry-specific knowledge (“Senior Advisors”). Senior Advisors play an important role in how we manage our portfolio and may assist with a variety of activities, including market research, new investment identification, pre-investment business diligence and post-investment value creation. Senior Advisors are not employees of Tower Arch but third parties who provide an important source of operating and strategic expertise across a wide spectrum of different fields within our focus sectors. Through our relationships, we may make our Senior Advisors available to Portfolio Companies. Senior Advisors are typically paid a consulting fee by Tower Arch, which in some cases may be allocated to one or more Portfolio Companies. Consulting fees may vary depending upon a number of variables, including expertise and time commitment. From time-to-time, these individuals may also co-invest in transactions in which they are involved under the same terms and conditions as the applicable fund. As a Senior Advisor becomes more ingrained with a Portfolio Company, he or she may take on a more active role, including, for example, taking a board seat and providing additional services directly to the Portfolio Company. In either case, the Senior Advisor may receive direct compensation from the Portfolio Company under terms agreed to by the Portfolio Company and the Senior Advisor. Any such compensation will not offset the management fee as described below

Offset Management Fees

If Tower Arch, its principals, the General Partners, or full-time, permanent employees receive directors’ fees or consulting fees, transaction fees, advisory fees, break-up fees and other fees subject to offset as described in the Fund Agreement, a portion of the fees, as detailed in the relevant Fund Agreement will offset the management fees payable by the applicable Funds, unless approved by the advisory boards of the applicable Funds. These fees, and the associated conflicts of interest they present, are further described in Item 11 below.

It is important that Investors refer to the relevant governing documents for a complete understanding of expenses and fees they may pay through an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

Item 5.D If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

As described in Item 5.B, management fees applicable to each Fund are paid quarterly in advance to Tower Arch pursuant to the applicable Fund Agreement.

Item 5.E If you or any of your *Access Persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Not applicable to Tower Arch.

Item 5.E.1 Explain that this practice presents a conflict of interest and gives you or your *Access Persons* an incentive to recommend investment products based on the compensation received, rather than on a *client’s* needs. Describe generally how you address conflicts that

arise, including your procedures for disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.

Not applicable to Tower Arch.

Item 5.E.2 Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Not applicable to Tower Arch.

Item 5.E.3 If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not applicable to Tower Arch.

Item 5.E.4 If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Not applicable to Tower Arch.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *Access Persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *Access Persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *Access Persons* face by managing these accounts at the same time, including that you or your *Access Persons* have an incentive to favor accounts for which you or your *Access Persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B. above, the General Partner receives performance-based compensation, also referred to as Carried Interest, from the Funds for which it serves as General Partner. In general, a Fund allocates a percentage of its net profits to the applicable General Partner. As noted above, the General Partner has waived or reduced the carried interest for certain Investors.

Currently, all Funds are charged the same amount of Carried Interest. The possibility that a General Partner may receive Carried Interest creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based distributions.

Tower Arch mitigates the potential for conflicts of interest that may arise as a result of the Fund's performance-based fees through adherence to the Fund Agreements which contain provisions regarding the allocation of investment opportunities among the Funds. Tower Arch allocates investment opportunities in a fair and equitable manner as detailed in the respective Fund Agreement.

ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Tower Arch provides investment advisory services to the Funds, described in Item 4, above. The Funds invest capital contributed to them by Investors that are accredited investors (as defined in Regulation D under the Securities Act of 1933), qualified clients (as defined in Rule 205-3 of the Investment Advisers Act of 1940), and qualified purchasers (as defined in section 2(a)(51)(A) of the Investment Company Act of 1940).

The Funds are no longer open to new Investors. Any new Fund launched by Tower Arch may have different terms than those summarized above.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

The following summarizes the methods of analysis and investment strategies used by Tower Arch in formulating investment advice.

The firm primarily focuses on providing the first institutional capital to founder and family-owned businesses located in the United States. The Funds' investment transactions include buyouts, recapitalizations, and restructurings. The Funds provide investment capital through both equity and equity-linked securities, including preferred stock and common stock.

There can be no assurance that Tower Arch will achieve its investment objectives or that the investment strategies employed by Tower Arch and the Funds will be successful. Investing in securities involves a risk of loss the Investor should be prepared to bear.

Item 8.B For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return or return on investment will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in the Funds if the Investor can withstand the liquidity constraints of an investment in the Funds and a total loss of its investment.

No guarantee or representation is made that the Funds' investment programs will be successful. Please note that all references to Tower Arch in this Item 8 shall include the General Partner. The following are some of the additional material risks associated with an investment in the Funds:

No Assurance of Investment Return. Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises is difficult. The Funds cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. The Fund Interests are not readily marketable and the Funds' investments will be illiquid. As a result, there may be little or no near-term cash flow available to the Investors.

Risk of Limited Number of Investments. The Funds may participate in a limited number of investments or make investment in a limited number of industries and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of any single investment or industry. Additionally, it is expected that the Fund will acquire a controlling interest in certain Portfolio Companies, which could further increase the vulnerability of the portfolio. A significant percentage of the aggregate amount of capital commitments to the Funds may be invested in any one

investment at any one time.

Use of Leverage. The companies in which the Funds intend to invest typically will rely on the use of leverage, and to such extent the Funds' ability to achieve attractive rates of return on investments will depend on their ability to access sufficient sources of indebtedness at attractive rates. Indebtedness may constitute a significant portion of a Portfolio Company's total capitalization.

Lower-Middle Market Companies. Investments in lower-middle market companies such as those that the Funds generally intend to invest in may entail larger risks than are customarily associated with investments in large companies. Lower-middle market companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group and on additional financing. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. Further, there may be a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult.

Investments in Restructurings. The Funds may make investments in Portfolio Companies that are restructuring in order to address actual or anticipated severe financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities, which may exceed the value of the Funds' original investment.

Investments in Less Established Companies. The Funds may invest a portion of its assets in the securities of early stage companies. Investments in such early stage companies may involve greater risks than generally are associated with investments in more established companies.

Contingent Liabilities Upon Disposition. 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. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which shall be borne by the Funds. Furthermore, Investors that receive distributions from the Funds may be required to return a portion of such distributions to the extent necessary to satisfy such liabilities.

Sole or Principal Outside Investor. With respect to most Portfolio Companies, the Funds expect to be the sole or principal outside investor. While such status may result in greater power to influence the management or direction of a Portfolio Company, and greater opportunities to make additional investments in a Portfolio Company, as compared to Portfolio Companies in respect of which the Funds are just one member of a group of

significant outside investors, it also may result in increased risks.

Co-Investments. The Funds may acquire interests in certain Portfolio Companies in cooperation with others through co-investment arrangements. The Funds' ability to exercise significant influence over management in these cooperative efforts will depend upon the nature of the co-investment arrangement. Such investments may, under certain circumstances, involve risks not otherwise present, including the possibility that the Funds' co-investor may not be able to satisfy its financial obligations, that such co-investor might at any time have economic or business interests or goals that are inconsistent with those of the Funds, and that such co-investor may be in a position to take action contrary to the instructions or requests of the Fund or contrary to the Fund's policies or objectives. In addition, such arrangements are likely to involve additional restrictions on the resale of the Funds' interest in the Portfolio Company.

Control-Person Liability. The Funds may have controlling interests in some Portfolio Companies. The exercise of such control may impose additional risks of liability. If these liabilities were to arise, the Fund might suffer a significant loss.

Hedging Policies/Risks. In connection with the financing of certain investments, the Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for each Fund than if it had not entered into such hedging transactions.

Service on Boards of Directors, Material Non-Public Information, Etc. Individual members of the General Partner may serve as officers or directors of Portfolio Companies. In their capacity as officers or directors (or even simply by virtue of the Funds' status as a significant shareholder of a Portfolio Company), such individuals may become subject to fiduciary or other duties which adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of portfolio securities if a member of the General Partner is in possession of material, non-public (i.e., "inside") information relating to the issuer thereof. In general, if there is a conflict between the fiduciary duties of the General Partner or a member thereof to a Portfolio Company and such person's fiduciary duties to the Funds or the Investors, such person's fiduciary duties to the Portfolio Company will prevail.

Investors and prospective Investors are provided with offering documents that contains a detailed description of the material risks related to an investment in the Funds, and are advised to carefully review all risk factors set forth in the relevant offering documents.

Item 8.C If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

See Above.

ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Tower Arch is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of Tower Arch or the integrity of Tower Arch's management. Tower Arch has no legal or disciplinary information to disclose at this time.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not applicable to Tower Arch.

Item 10.B If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable to Tower Arch.

Item 10.C Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Tower Arch does not have any related persons listed in Item 10.C of the ADV Part 2A. Notwithstanding the prior sentence, Tower Arch is of the view that the following should be noted:

1. As noted in Item 4.A above, an affiliate of Tower Arch typically serves as the General Partner of each of the Funds. Each of the General Partners is a related person of Tower Arch. Tower Arch, together with the General Partners, provides investment management and/or investment supervisory services. Each of the General Partner and Fund retains Tower Arch to provide investment management and advisory services. The General Partners retain management authority over the business and affairs of the Funds. As described in Item 6, the General Partners are entitled to receive performance-based fees

from the Funds, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

2. As described elsewhere in this Brochure, Tower Arch seeks to make significant investments in Portfolio Companies with board representation and customary shareholder rights. As such, Tower Arch's management persons have management roles with Portfolio Companies. Certain of the Principals serve, and may in the future serve, on the board of directors of such Portfolio Companies. Please see item 8 for a description of the related conflict of interest. Tower Arch has mitigated this conflict of interest through disclosure in the private placement memorandum and in this Brochure.

Item 10.D If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not applicable to Tower Arch.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

Tower Arch's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Tower Arch's "Access Persons." Access Persons include any member, officer or director of Tower Arch and employee of Tower Arch who, in relation to the Funds: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. In addition, certain other individuals, such as temporary employees may also be deemed to be Access Persons by the Chief Compliance Officer.

The Code sets forth a standard of business conduct that takes into account Tower Arch's status as a fiduciary to the Funds and requires Access Persons to place the interests of Funds above their own interests and the interests of Tower Arch. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Tower Arch's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Tower Arch's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, Tower Arch's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes Tower Arch's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) advisory clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, Access Persons who possess material non-public information about a public company must not trade in the public securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Investors or prospective Investors may obtain a copy of the Code by contacting Tower Arch at tfeveryear@towerarch.com.

Item 11.B If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

As explained in Item 10.C above, the General Partner, which is owned in part by the Principals, and are related persons of Tower Arch, serves as the general partner to the Funds. The General Partners

also commit capital to the Funds, and as a result every investment made by a Fund involves a purchase of securities whereby related persons of Tower Arch acquire an indirect interest in such securities. Tower Arch's Principals and Access Persons also maintain investments directly in certain of the Funds. The fact that Tower Arch's Principals, General Partners, and Access Persons have financial interests in the Funds could create a potential conflict in that it could cause Tower Arch to make different investment decisions than if such parties did not have such financial ownership interests. However, Tower Arch believes that these financial interests align Tower Arch's and the General Partners' incentives with Investors.

As described in Item 5 above, in certain cases Tower Arch or an affiliate, may receive certain directors' or consulting fees, advisory fees, transaction fees, break-up fees or other similar fees in connection with the Funds' investments in Portfolio Companies. Payment of such fees may create a conflict of interest because it could create an incentive for Tower Arch, or an affiliate, to cause a Fund to invest its capital in a company that will pay such a fee. To mitigate such conflict, such fees are offset against management fees otherwise payable to Tower Arch by Funds that hold an investment in such Portfolio Companies pursuant to the applicable Fund Agreement. Please also refer to Item 5 above.

As noted in Item 6 above, performance-based compensation, also referred to as Carried Interest, may create an incentive for Tower Arch or the General Partners to make investments that are riskier or more speculative than in the absence of such performance-based compensation.

Tower Arch, or an affiliate, may offer the opportunity to co-invest in one or more Portfolio Companies of any Fund to private Investors. However, participation in co-investment opportunities either directly or through participation in a co-investment vehicle may not be offered to all Investors. To the extent such opportunities are offered it will be in compliance with the applicable Fund Agreements.

Tower Arch seeks to address the above conflicts through regular monitoring of the Funds' portfolios for consistency with objectives, strategies, and target capacity. Further, the Principals carefully consider the risks involved in any investments and Tower Arch provides extensive disclosure to Investors regarding the potential risks that come with an investment with Tower Arch. As stated in Item 11. A., the Code provides guidelines for identifying and addressing conflicts of interest and requires Access Persons to place the interests of the Funds over their own or those of Tower Arch, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

In addition, each of the Funds has an advisory board comprised of certain Investors in the respective Fund. The advisory boards advise and counsel Tower Arch and the General Partner on issues relating to conflicts of interest and, as described in the Fund Agreements, in certain cases, advisory board approval will be required for investments that may be deemed to create a conflict of interest.

Item 11.C If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Tower Arch's Access Persons are permitted to make certain securities transactions in their personal accounts. However, Access Persons are prohibited from investing in Portfolio Companies outside of their indirect interest through the Fund or General Partner.

Tower Arch does not intend that the Funds will participate in “principal transactions” or agency cross trades. Cross trades between the Funds may occur but Tower Arch does not plan on doing so on a regular basis. Any cross trades will be reviewed to ensure all participating Funds are equitably and fairly treated and that only such trade is done in accordance with the Fund Agreement.

Tower Arch enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Person personal trading by enforcement of its Code, which contains pre-clearance and reporting guidelines for Access Persons.

Tower Arch requires that Access Person’s transactions in certain “reportable securities” (as defined in Section 202(a)(18) of the Advisers Act) be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request.

Tower Arch maintains a “Restricted List” with the names of issuers of public securities about which Tower Arch or its affiliates (including Access Persons) have material, non-public information. Access Persons are prohibited from trading securities on the Restricted List.

In addition, Tower Arch receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer reviews Access Persons’ personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

Item 11.D If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Please refer to responses to Items 11.A, 11.B, and 11.C.

ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1 Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

- 1. Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

Tower Arch causes the Funds to invest in private transactions that are not executed on an exchange and thus Tower Arch generally does not utilize public securities brokers. Notwithstanding the above, in the future, Tower Arch utilizes brokers and investment banks in connection with the purchase and sale of Portfolio Companies.

In the event that Tower Arch’s business were to evolve such that the Funds were to regularly execute transactions through a broker-dealer, then Tower Arch would adopt policies and procedures reflective of its duty to execute trades in publicly-traded securities in a manner designed to seek best price and execution. To the extent Tower Arch does utilize brokers in the future, Tower Arch need not solicit competitive bids and would not have an obligation to seek the lowest available commission or other transaction cost.

Tower Arch does not utilize “soft dollars.”

Item 12.A.2 Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving *client* referrals, rather than on your *clients*’ interest in receiving most favorable execution.
- b. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for *client* referrals.

As a general matter, Tower Arch invests in private transactions that are not executed on an exchange and does not utilize brokers. But please see Item 12.A.1 above.

Item 12.A.3 Directed Brokerage.

- a. If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.

- b. If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

Not applicable to Tower Arch.

Item 12.B Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

Upon determination to buy or sell the same Portfolio Company security on behalf of more than one Fund (based upon the investment mandates and available capital of such Funds), Tower Arch will generally aggregate investments. The private company securities which are the primary investments by the Funds are generally purchased in private transactions, and thus a purchase or sale transaction by multiple Funds will generally be consummated simultaneously. However, there could be circumstances in which the liquidity, partnership terms or other considerations require the purchase or sale of Portfolio company securities by Funds at different times. In such cases, Tower Arch will seek to act in a fair and equitable manner with regard to all participating Funds and to take into account the investment objectives and results of each Fund. Notwithstanding the foregoing, the purchase or sale of Portfolio Company securities by different Funds at different times could result in increased transaction costs and different investment results for such Funds and their Investors.

Tower Arch recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its advisory clients in a fair and equitable manner. The Funds have overlapping investment programs and may participate in the same investments. If Tower Arch determines that it would be appropriate for more than one Fund to participate in an investment opportunity, Tower Arch will seek to allocate the investment opportunity to all of the participating Funds on a fair and equitable basis.

ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *Access Persons* who conduct the review.

Tower Arch's client accounts are under periodic review by the Principals or other investment professionals of Tower Arch. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives.

Item 13.B If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review

Not applicable to Tower Arch.

Item 13.C Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

Investors in the Funds generally, receive quarterly reports after the close of each of the first three calendar quarters, which include, quarterly unaudited financial statements of the Fund, a summary of acquisitions and dispositions of the investments of the Funds and a list of investments then held. On a semi and annual basis, the investors will also receive an update memo for each portfolio investment. Annually, Investors will receive an annual financial report audited by a nationally recognized accounting firm, information regarding the relevant Fund necessary for the completion of each Investor's tax return and a list of investments then held by the relevant Fund

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not applicable to Tower Arch.

Item 14.B If you or a *related person* directly or indirectly compensates any *person* who is not your *Access Person* for *client* referrals, describe the arrangement and the compensation.

Certain of the Funds compensate third parties for introducing Investors to the Funds. Pursuant to such arrangements among the applicable Fund, Tower Arch and the third party placement agent, the Fund pays such placement agent an investor service fee generally based on capital commitment of the Investor introduced to the Fund by the placement agent.

The management fees or performance fees/allocations to be charged to an Investor introduced by a placement agent will not reflect any differential over rates Tower Arch charges to other Investors not introduced by a placement agent that are invested in the same Fund.

ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Tower Arch is deemed to have custody of the assets held by the Funds because affiliates of Tower Arch serve as the general partners or managing members of the Funds.

To ensure compliance with the Custody Rule, Tower Arch will ensure that the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”) and that the audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to Investors within 120 days of the end of each Fund’s fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt, and should compare these statements to any account information provided by Tower Arch.

As Tower Arch’s investment program primarily involves investments in privately offered securities, Tower Arch generally will be exempt from the requirement that securities be maintained with a “qualified custodian.” Tower Arch anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer’s outstanding securities.

To the extent that Tower Arch holds any publicly traded securities or securities which are otherwise ineligible for an exemption from qualified custodian requirement of the Custody Rule, Tower Arch will maintain such securities with a qualified custodian in an account in the name of the Fund or in accounts that contain only funds and securities owned by the Funds, under Tower Arch’s name as agent or trustee for the Funds.

ITEM 16 – INVESTMENT DISCRETION

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Tower Arch has discretionary authority to manage securities accounts on behalf of its clients. Tower Arch is authorized to make transaction recommendations for the Funds. As explained in Item 4.C above, each Fund's investment strategy is set forth in detail in such Fund's offering documents and Fund Agreement. Investors do not have the ability to impose limitations on Tower Arch's discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Such subscription agreement also includes a limited power of attorney.

ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

Tower Arch understands and appreciates the importance of proxy voting. Tower Arch has adopted proxy voting policies and procedures that are designed to ensure that when Tower Arch or a General Partner votes a proxy with respect to securities held on behalf of Funds, such proxies are voted in the Funds' best interests, in the judgment of Tower Arch to the extent reasonably practicable. The procedures also require that Tower Arch identify and address conflicts of interest. If a material conflict of interest is identified, Tower Arch will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Funds or whether taking some other action may be more appropriate.

It should be noted that given Tower Arch's business focuses on investing in private companies, it is anticipated that it will be extremely rare that Tower Arch will receive proxies with respect to securities held on behalf of Funds. However, there are situations where private companies could have proxy issues (e.g. a private company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, Tower Arch or a General Partner would have authority to vote proxies on behalf of Funds. In such cases, each proxy voting proposal received by a Fund is thoroughly reviewed in order to ensure that each such vote is voted in the best interests of the Fund holding the applicable securities.

If a material conflict is identified, Tower Arch will determine what course of action is in the best interests of the affected Investors (which may include utilizing an independent third party to vote such proxies). Further, Tower Arch will determine whether it is appropriate to disclose the conflict to affected Investors and give such Investors the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer or his designee delivers proxies in accordance with instructions related to such proxy. Tower Arch keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and Tower Arch's response for the previous five years.

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how Tower Arch voted proxies and may obtain a copy of Tower Arch's proxy voting policies and procedures by contacting the Chief Compliance Officer.

Item 17.B If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

Not applicable to Tower Arch.

ITEM 18 – FINANCIAL INFORMATION

Item 18.A If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.
2. Show parenthetically the market or fair value of securities included at cost.
3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Tower Arch and its affiliates do not require or solicit prepayment of advisory fees six months in advance.

Item 18.B If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

Tower Arch is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Funds or Investors.

Item 18.C If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

Tower Arch has not been the subject of any such bankruptcy petition.