
Coliseum Capital Management, LLC

**Form ADV Part 2A
Disclosure Brochure
March 30, 2020**

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This Brochure provides information about the qualifications and business practices of Coliseum Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 203-883-0100 or ccassar@coliseumpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Coliseum Capital Management, LLC is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended. Recipients of this Brochure should be aware that registration with the SEC does not constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill or training in providing advisory services to clients. Our oral and written communications are intended to provide you with information which you may use to determine to hire or retain us to provide investment advice.

Additional information about Coliseum Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov

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The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2: Material Changes

This Brochure dated March 30, 2020 serves as an annual update to the Brochure. Set out below are those changes that we believe reflect material changes since our last annual update in March 2019.

- We launched a new private fund in March 2020. More information about this fund and our pooled investment services is provided in this Brochure.

You may request a copy of our Brochure by contacting us at (203) 883-0100 or by e-mail at ccassar@coliseumpartners.com.

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Item 4: Advisory Business

A. Description of the Firm

Coliseum Capital Management, LLC (“**we**” or “**us**” or “**our**” or “**Coliseum**”), a Delaware limited liability company, was established in 2005 and is managed by its controlling owners Christopher S. Shackelton and Adam L. Gray. The sole owner of Coliseum is Coliseum Capital Management, LP (“**Coliseum Parent**”) which in turn is majority owned by SG1, LP of which Messrs. Shackelton and Gray are the majority owners. We are an asset management company focused primarily on sponsoring and providing advice to private investment partnerships that principally make longer-term investments in both public and private companies. We only manage assets on a discretionary basis (subject to those limitations as described in Item 16); the investors in the funds that we manage have no opportunity to select or evaluate any fund investments or strategies.

B. Types of Advisory Services

We currently provide the following investment advisory services:

Private Investment Funds

We provide investment advisory services to Coliseum Capital Partners, L.P., (“**CCP**”), Coliseum Capital Partners II, L.P. (“**CCP II**”), Coliseum Capital Co-Invest, L.P. (“**CCC**”), Coliseum Co-Invest Debt Fund, L.P. (“**COC**”) and Coliseum Capital Co-Invest III, L.P. (“**CCC III**”), private pooled investment vehicles (collectively, the “**Funds**”). The general partner of the Funds is Coliseum Capital, LLC (the “**General Partner**”) which is under common control with Coliseum.

CCP invests and trades in securities, consisting principally, but not solely, of private and public securities that are issued by smaller capitalization companies operating in U.S. and Canadian markets. However, we are authorized to enter into any type of investment transaction, anywhere that we deem appropriate, pursuant to CCP’s limited partnership agreement. We are authorized to invest a portion of CCP assets in illiquid securities that are restricted from transfer, which generally are restricted securities of public and private companies. See Item 8 for more information with respect to the investment strategies of CCP.

CCP II was formed to follow and has followed a similar investment strategy as CCP. Currently, pursuant to side letters entered into with its investors, CCP II does not make any new investments.

CCC is a co-investment vehicle that was formed to invest alongside CCP in a concentrated number of securities issued by publicly-traded companies in which a manager of the General Partner serves on the Board of Directors (the “**CCC Portfolio Companies**”). CCC only invested

in securities of CCC Portfolio Companies in which CCP also invested. The investment period of CCC has ended and, as such, CCC is no longer permitted to make new investments.

COC is a co-investment vehicle that was formed to invest alongside CCP primarily in debt instruments of publicly-traded and private companies (“**COC Portfolio Companies**”). COC may also, in certain circumstances, hold equity securities of COC Portfolio Companies in the form of reorganized equity issued in exchange for debt, as an “equity kicker” or as part of a follow-on investment. COC only invested in debt and equity instruments issued by COC Portfolio Companies in which CCP also invested, provided that COC may have invested in different parts of the capital structure of such COC Portfolio Companies. The investment period of COC has ended and, as such, COC is no longer permitted to make new investments.

CCC III is a co-investment vehicle that will invest alongside CCP opportunistically in debt or equity securities issued by publicly-traded and private companies (“**CCC III Portfolio Companies**”). CCC III will only invest in debt and equity instruments issued by CCC III Portfolio Companies in which CCP has invested or is also investing, provided that CCC III may invest in different parts of the capital structure of such CCC III Portfolio Companies.

The General Partner conducts its activities in accordance with the Investment Advisers Act of 1940, as amended, and the rules thereunder (the “**Advisers Act**”). Any employee of the General Partner, and any other person acting on its behalf, is and shall be subject to the supervision and control of Coliseum. The General Partner is relying on Coliseum’s registration under the Advisers Act and is not registering itself. The General Partner shall be included in all references to “we”, “us” or “Coliseum” herein.

The Funds are not registered as investment companies under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and are, therefore, not subject to various provisions of the Investment Company Act. Interests in the Funds (“**Interests**”) are not registered for sale under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and are instead sold to qualified investors on a private placement basis. Subscriptions for Interests will generally be accepted only from investors who meet the definitions of “Accredited Investor” under Regulation D promulgated under the Securities Act and “Qualified Clients” eligible to pay performance fees under the Advisers Act. Investors in CCP, CCP II and CCC III must qualify as “qualified purchasers” under the Investment Company Act. Interests in CCC, COC and CCC III were offered only to existing limited partners of CCP and current clients of the firm. Currently, CCP II, CCC and COC do not accept any new investors.

We provide investment advice directly to the Funds and not individually to the limited partners (“**Investors**”) of the Funds.

Separate Accounts

In addition to managing the Funds, we provide ongoing discretionary investment management services to an institutional client (together with such other separate accounts as we may advise in the future, the “**Separate Accounts**” and each a “**Separate Account**”). Separate Accounts generally invest in the same general category of investments invested in by the Funds.

The term “**Client**” herein refers to either a Fund or the owner of a Separate Account.

As investment adviser to Clients, we identify investment opportunities and participate in the acquisition, management, monitoring and disposition of investments for each Client.

Special Purpose Entities

From time-to-time, we may structure and we or our affiliate may serve as the manager to pooled investment vehicles through which the Funds and/or the Separate Account Clients may invest in one or more particular investment opportunities (each, a “**Special Purpose Entity**”). These Special Purpose Entities are pass-through entities from which we receive no management fees, performance fees or other economic benefit in connection with the acquisition of the particular investment opportunity or opportunities.

C. Client Tailored Services and Client Tailored Restrictions

We enter into discretionary investment management agreements with our Separate Account Clients. See Item 16. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their particular investment objectives or needs.

We manage each Fund based on the investment objectives and investment restrictions set forth in the limited partnership agreement of the Fund (the “**Fund Organization Agreement**”) and the investment management agreement between us and the Fund (the “**Management Agreement**”, and together with the Fund Organization Agreement and the confidential private placement memorandum or other offering document describing the Fund and its terms utilized to offer investments in a Fund, the “**Governing Documents**”).

In addition, we have the right to enter and have entered into agreements, such as side letters, with certain Investors in the Funds that may in each case provide for terms of investment that are more favorable to the terms provided to other Investors in the Funds. Such terms may include the waiver or reduction of management and/or incentive fees/allocations, the provision of additional information or reports, rights related to specific regulatory requests or requirements of certain clients, more favorable transfer rights, and more favorable liquidity rights. Certain Investors may also negotiate for investment exposure (or investment limitations) with respect to specific industries, sectors, geographic regions or investments.

One of our Investors has an equity interest in our parent company and an affiliated entity entitling it to receive a percentage of our revenue. While such Investor does not have any enhanced information rights regarding our Clients or investments, as a result of its affiliation with our parent company, it may (i) become aware of certain material events concerning Coliseum prior to disclosure of such to Clients or Investors in the Funds or (ii) become aware of certain non-material events concerning Coliseum which, due to the immaterial nature, may never be disclosed to Clients or Investors in the Funds.

D. Assets Under Management

As of December 31, 2019, we had \$1,361,723,130 assets under management for the Funds and Separate Accounts. This amount is managed on a discretionary basis.

Item 5: Fees and Compensation

A. Fee Schedule; Prepayment of Fees and Refunds, Payment Method

Private Investment Funds

For our advisory services to COC, the Governing Documents provide for the payment to us of an annual management fee (the “**Management Fee**”) of .75% of assets under management. We currently do not receive a management fee for our advisory services to CCC.

We, in our discretion, may waive, reduce or rebate all or any portion of the Management Fee applicable to all or any of the Investors or agree with an Investor to waive or alter the Management Fee as to that Investor and we have done so with some Investors pursuant to side letters. The Management Fee is payable in advance at the beginning of each calendar quarter based on the net asset value of each Investor’s capital account on the first day of that calendar quarter. Investors who are permitted to contribute capital on a date other than the first day of a calendar quarter are charged a pro-rated Management Fee for the quarter. We typically deduct Management Fees directly from Fund assets. Investors who are permitted to withdraw capital on a date other than the last day of a calendar quarter do not receive a refund of the Management Fee paid in advance for that quarter.

The Governing Documents for CCC and COC provide for an incentive allocation (“**Incentive Allocation**”) to be paid to the General Partner based on the performance of the invested portion of Investors’ capital commitments. The calculation of the Incentive Allocation follows a detailed waterfall for the apportionment of proceeds from the Fund’s investments. Generally, the Incentive Allocation for CCC and COC is 20% of proceeds from investments after the payment of fund expenses and the receipt by Investors of a return of all capital commitments and assuming that a preferred return has been received.

We receive management fee and performance-based compensation for our advisory services to CCP, CCP II and CCC III. Investors in CCP, CCP II and CCC III are all “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act, and, as a result, further information regarding the fees and compensation payable by CCP, CCP II and CCC III in connection with our advisory services is not required to be provided herein.

Our investment management agreement with each Fund is terminable upon expiration of the Fund’s term, dissolution or the withdrawal of the General Partner. Investors may be limited in their ability to terminate their investment in the Fund. Investors should refer to each Fund’s Governing Documents for additional or supplementary information regarding such limitations as well as the fees paid by the Fund.

Separate Accounts

Separate Accounts pay a management fee which is based on a percentage of the assets under management. We negotiate the annual management fees charged for the management of Separate Accounts, which could vary but currently is 1.00%. Fees are typically payable in advance on a quarterly basis, unless otherwise agreed upon in the investment management agreement with the Client.

Separate Accounts may also pay a performance fee which could vary but currently is based on the portfolio outperformance that occurs above an agreed upon benchmark during each performance period. Performance fees are based upon the valuation methodology agreed to with each Client.

In general, an agreement for a Separate Account may be cancelled by either party after the expiration of an initial commitment period (of generally two to four years) upon receipt of 60 days' written notice, or as otherwise agreed in the investment management agreement. Upon termination of any account, a Client may or may not continue to pay management fees to us until the Client's investments have been repaid or otherwise satisfied. If the management fee has been paid in advance, the applicable portion of such fee relating to the period after the Client's investments have been repaid or otherwise satisfied, will be returned to the Client.

B. Other Fees and Expenses

Each Fund bears the expenses of its organization (subject to any maximum amount set forth in the Governing Documents) and all operational expenses incurred in connection with the purchase, sale, financing and refinancing of investments, and the fees and expenses of third party service providers to the Fund. Such expenses generally will include but are not limited to:

- (a) all trading costs and expenses (such as, for example, brokerage commissions and charges, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees),
- (b) interest and commitment fees on loans and debit balances (on margin or otherwise),
- (c) the costs and expenses of negotiating and entering into contracts and arrangements and making investments in the ordinary course of the Fund's activities (such as brokerage, legal, accounting, investment banking, appraisal and other professional and consulting fees and expenses arising from particular investments and potential investments), and similar expenses in terminating those contracts and arrangements and disposing of the Fund's investments,
- (d) all expenses incurred in visiting companies and attending research conferences (for example, air fare, hotel accommodations and meals),
- (e) costs associated with registering the Fund's restricted securities,
- (f) all costs and expenses incurred in attempting to protect or enhance the value of the Fund's investments (including the costs of instituting and defending lawsuits),

- (g) income taxes, withholding taxes, transfer taxes and other governmental charges and duties,
- (h) fees and reimbursement for out of pocket expenses of any administrator,
- (i) fees and charges of custodians, clearing agencies and banks,
- (j) bookkeeping, recordkeeping, legal, accounting, auditing, tax preparation and all professional, expert and consulting fees and expenses arising in connection with the Fund's activities (including fees and expenses of counsel for the Fund and Coliseum or one or more officers, members or managers of Coliseum, service contracts related to on-line research, portfolio management and quotation services and equipment (including computer hardware and software related thereto) and the expenses of accounting, bookkeeping and recordkeeping services of any administrator or any similar service provider retained by Coliseum to assist it in performing these services for the Fund,
- (k) all fees, costs and expenses of offering and selling Interests and communicating with Investors (including, without limitation, airfare, hotel accommodations, meals and other travel expenses, communications costs, the costs of printing and distributing offering materials, subscription materials, reports and notices, legal and accounting fees and expenses and governmental and self-regulatory agency filing fees, costs and expenses),
- (l) insurance policies as Coliseum considers appropriate, insuring the Fund, Coliseum and their affiliates against liabilities that may arise in connection with the business or management of the Fund,
- (m) proxy voting services and
- (n) any extraordinary expenses (such as litigation expenses).

Generally, Investors in a Fund share equally in such Fund's expenses but there may be situations where due to the exit of certain Investors or creation of side pockets, not all Investors will share equally in Fund expenses. Investors should consult the Governing Documents or investment management agreements for the specific expenses each Fund bears and the situations where Investors may not share equally in expenses.

Clients may be invested in mutual funds. To the extent a Client's account is invested in a mutual fund, it may bear the costs and expenses associated with such investment in that fund.

In a manner consistent with client arrangements (e.g., investment management agreements, the Governing Documents) we will determine whether each expense will be borne by the Client or Coliseum. Certain expenses may be shared between us and one or more Clients and we will allocate such shared expenses in a manner deemed fair and reasonable. The Funds will reimburse us for any expenses paid by us that are properly borne by the Funds.

Some expenses are incurred on an aggregate basis for the benefit of multiple Funds or Clients. Such expenses will be allocated by Coliseum in a manner it determines to be fair and equitable, taking into consideration, among other things (i) the extent of a Client's utilization of the services associated with the expense, (ii) the relative benefit to a Client that is derived from the expense and (iii) the association of the expense with a legal, contractual or other obligation of a Client. This is expected to generally result in a pro rata allocation based on each Client's participation or anticipated participation in the relevant investment or strategy, however, if Coliseum determines that one or more Clients receives substantially all of the benefit, or that the expense would not

otherwise have been incurred if it were not for such Client(s), Coliseum will generally allocate such expense solely to such Client(s) that received substantially all of the benefit.

Expenses incurred in connection with transactions that are consummated are allocated to the relevant Clients in accordance with the overall allocation decision.

Investment-related expenses for an investment that is not consummated (a "broken deal") and research expenses for any investment or potential investment will generally be allocated pro rata among all eligible Clients, excluding CCC, COC, CCC III and any other co-investment vehicles

Clients bear brokerage and transaction costs to the extent incurred. For additional information regarding brokerage and transaction costs, see Item 12.

C. Sales Compensation

Neither we nor any of our supervised persons accept compensation in connection with the sale of Interests in the Funds.

Item 6: Performance-Based Fees and Side-By-Side Management

“Performance-Based Fees” are fees that are based on a share of the capital gains or capital appreciation of the assets of an account. We currently manage only accounts that pay performance-based compensation as described in Item 5; we do not manage accounts that do not pay performance-based compensation. Fees based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act to the extent required by applicable law.

Performance-based compensation creates an incentive for us to cause a Client to make investments that are riskier and more speculative than it would otherwise make. Performance-based fee arrangements also creates an incentive to favor higher performance fee paying Clients over other Clients in the devotion of time, resources and allocation of investment opportunities.

To manage these potential conflicts, we have adopted a number of compliance policies and procedures. These policies and procedures include (i) our policies which provide that all supervised persons have a duty to act in the best interest of each Client (see Item 11), and (ii) allocation policies which seek to ensure that investment opportunities are allocated fairly among Clients and that all Client accounts are managed in accordance with their investment mandate (see Item 12). We do not consider fee structures in allocating investment opportunities.

Item 7: Types of Clients

We provide investment advisory services to the Funds and Separate Accounts (but not individually to Investors in the Funds). Investors in CCP are required to invest a minimum of \$1 million, but the General Partner may, in its sole discretion, waive this minimum. In the past, we required a minimum of \$50 million to open a Separate Account, but we may waive or increase that minimum if we were to consider managing other Separate Accounts (for high net-worth individuals, institutions, trusts, endowments or pension plans) in the future.

We generally require Investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Fund.

Investors that are U.S. persons must be “Accredited Investors” under Regulation D under the Securities Act and in general, “Qualified Clients” under the Advisers Act eligible to be charged a performance fee. Certain employees of Coliseum who qualify as “knowledgeable employees” under Rule 3c-5 of the Investment Company Act may be permitted to invest directly or indirectly in the Funds. Investors in CCP, CCP II and CCC III must be “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analyses

We apply both systematic and unsystematic methods to screen for potential investments. We rely on the many relationships our managers have developed across the business and investment landscape.

In addition to the unsystematic approaches referenced above, we utilize more systematic screening methods aimed at identifying undervalued or under-utilized assets, stress signals, etc. These methods incorporate metrics that range from cash flow yields, comparable leverage valuation to announced defaults, historical returns on invested capital and more.

We focus our resources on potential investments where proprietary research provides an advantage. Each investment will generally be based on an intensive analytical process conducted over several months and generally refreshed over the investment life cycle. This process may include facility inspections, management/employee meetings, customer calls, detailed legal review and comprehensive industry review with competitors, suppliers and consultants.

Our valuations typically are based on detailed, long-term cash flow forecasts, with the underlying objective of identifying the intrinsic value of businesses or assets. The corresponding investments will generally be driven by return expectations over a 3-5 year timeframe. We consider this longer-term investment horizon as a powerful differentiator critical in exploiting the short-term return requirements of many investors in the market.

On behalf of our Clients, we may make investments at every level of the capital structure, in both liquid and illiquid, and public and private securities. We expect generally to hold only 8-12 “core” positions. Some Clients may have a more concentrated portfolio. Investors should consult the Governing Documents or investment management agreement for specifics.

Investments in securities involve risk of loss that Clients and investors must be prepared to bear.

B. Investment Strategies

The following is a summary of the principal investment strategies employed by us. The material risks associated with each of these strategies is set forth in C. below. This is a summary only. Clients should look to the Governing Documents of each Fund or to their investment advisory agreements with us and other Client materials for a more complete description of each strategy. Clients should not rely solely on the descriptions provided below.

The investment strategy of CCC was to invest in securities of CCC Portfolio Companies and the investment strategy of COC was to invest in COC Portfolio Companies. The investment period of each of CCC and COC has ended and, as such, neither CCC nor COC is permitted to make new investments.

The investment strategies and techniques discussed below, beyond statements regarding the investments in securities of CCC III Portfolio Companies, are not applicable to CCC III.

Although the investment period of CCP II has not ended, pursuant to side letter agreements with its Investors, we are not currently making any new investments on behalf of CCP II.

We seek to make long-term, value investments across the capital structure in small to mid-cap public and private companies. On behalf of our Clients, we invest in, hold, sell, trade and otherwise deal in securities, consisting principally, but not solely, of private and public securities that are issued by smaller capitalization companies operating in U.S. and Canadian markets. Many of our investments are in companies undergoing extraordinary change ("special situations").

In general, our investments fit into one or more of the following criteria:

- The potential for strong free cash flow
- Good businesses or assets operating through complex circumstances
- Businesses or assets which provide a reasonable likelihood of recovering invested capital
- Businesses or assets to which our management team can apply its varied transactional and operations experience
- The ability to enforce remedies, such as liquidation, in order to recover invested capital

We seek to identify investment opportunities in businesses and assets at attractive long-term valuations. Examples include:

- Financially distressed businesses, including companies in the midst of workouts, bankruptcies, turnarounds or restructuring processes
- Lack of liquidity or general imbalance between investment supply and demand in certain out-of-favor or capital-constrained industry sectors
- Complex transactions, such as sales involving companies with business interruptions, significant litigation or other contingent liabilities
- Underperforming businesses due to inadequate management teams or owner neglect

- Undervaluation of public companies relative to private market valuations
- Busted auctions and similar situations where a company loses bargaining leverage with respect to potential buyers
- Companies with hidden or underutilized assets

We have in the past and may in the future invest a portion of a Client's assets in illiquid securities that are restricted from transfer, which generally are restricted securities of public and private companies. We may also invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, distressed debt, loans, currencies, non-U.S. securities, futures, options on futures, other commodity interests and money market instruments. We also may engage in short selling, margin trading, hedging and other investment strategies.

The investment objectives and methods summarized above represent our current intentions, are general in nature and are not intended to be exhaustive. Among other things, there are no limits on the types of securities or other instruments in which the Fund may take positions, the types of positions it may take, the concentration of its investments in companies, industries or market sectors or subsectors, or the amount of leverage the Fund may use, including the extent of the Fund's margin trading and short positions. Depending on conditions and trends in securities markets and the economy generally, we may pursue any other objectives, or use any other techniques that we consider appropriate and in the best interest of our Clients.

C. Material Risks

Investment Strategy Risks:

Acquiring interests in a Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with us and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in its Governing Documents. Such risks for the Funds and Separate Accounts may include (but are not limited to):

Investment Risks. We invest our Client assets principally, but not solely, in securities that are issued by companies that are traded publicly and privately in U.S. and Canadian markets. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. A portfolio of securities of companies in special situations, representing a very small segment of the economy, may be extremely more volatile than the broader equity markets. Many of our investments are in companies that are in "special situations."

Micro and Small Capitalization Companies. We invest in securities of companies with micro-to-small-sized market capitalizations. Those securities involve substantially higher risks in many respects than do investments in securities of larger companies. Further, due to thin trading in

securities of some micro- and small-capitalization companies, an investment in those stocks may be relatively more illiquid.

Investment Selection. From time to time, we may engage in hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. Hedging strategies usually are intended to limit or reduce investment risk, but also can limit or reduce the potential for profit and may increase transaction costs, interest expense and other costs and expenses. Clients may have high portfolio turnover and the brokerage commissions and other transaction costs generally are higher than those incurred by a Client with a lower portfolio turnover rate.

Private Claims. Private claims and obligations of domestic and non-U.S. entities experiencing significant financial or business difficulties, most of which are not publicly traded, involve a substantial degree of risk. Some of a Client's private investments may have very little liquidity as a result of trading restrictions, or the marketability of such interests may be hindered for other reasons. In addition to this liquidity risk, another risk inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such borrowers. Troubled company and real estate investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Securities of Financially Distressed Companies. Investing in assets, liabilities or equity of companies that are, or appear to be, in financial distress or emerging from financial distress, including companies that have undergone or are undergoing major restructurings or bankruptcy reorganizations and companies that we anticipate are likely to undergo such restructurings or reorganizations involves a high degree of risk. At times there is very limited liquidity in such securities.

Bank Loans. We may invest Client assets in bank loans and participations. Investing in bank loans and participations is subject to unique risks, including: (i) the risk that a court could subordinate a bank loan or participation interest to presently existing or future indebtedness of the borrower or take other action detrimental to the holders of the bank loan or participation; (ii) the risk that the Client could be subject to "lender liability" and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Insolvency Considerations with Respect to Issuers of Indebtedness. Various laws enacted for the protection of creditors may apply to indebtedness in which we may invest Client assets. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of indebtedness were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness, under certain circumstances, court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer of indebtedness in which a Client invests, payments made

on such indebtedness could be subject to avoidance as a “preference” if made within a certain period of time before insolvency.

Second-Lien and Unsecured Loans. In addition to the special risks generally associated with investments in bank loans described above, investments in second-lien and unsecured bank loans entail additional risks, including (i) the subordination of a Client’s claims to a senior lien in terms of the coverage and recovery from the collateral and (ii) with respect to second-lien loans, the prohibition of or limitation on the right to foreclose on a second-lien or exercise other rights as a second-lien holder, and with respect to unsecured loans, the absence of any collateral on which a Client may foreclose to satisfy its claim in whole or in part. In certain cases, no recovery may be available from a defaulted second-lien loan.

Non-Investment Grade Instruments. We may invest Client assets in financial instruments that are rated in the non-investment grade categories by the various credit rating agencies or are not rated. Such financial instruments are subject to greater risk of loss of principal and interest than higher-rated financial instruments and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than financial instruments with higher ratings in the case of deterioration of general economic conditions and the yields and prices of such financial instruments may be more volatile than those for higher-rated financial instruments. The market for non-investment grade and non-rated instruments is thinner, often less liquid, and less active than that for higher-rated financial instruments, which can adversely affect the prices at which these financial instruments can be sold and may even make it impractical to sell such financial instruments.

Hedging. We may use hedging strategies to attempt to control risk associated with certain portfolio positions or securities denominated in non-U.S. currencies. Such hedging strategies may include the use of both exchange-traded and over-the-counter derivative instruments, such as swaps, short sales, options and futures. Trading in these instruments is highly speculative and entails risks that are greater than those of investing in other securities.

Short Sales. We sell securities short. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. To make a short sale, we must borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. Securities, once borrowed, may be called at inopportune times, potentially forcing us to pay a premium to cover.

Swaps, Options, Futures and Other Derivatives. From time to time, we may trade in exchange-traded and over-the-counter derivatives, including but not limited to swaps, options, futures, forwards and contracts for differences. Trading in these instruments is highly speculative and entails risks that are greater than those of investing in other securities. Prices of these instruments generally are more volatile than prices of other securities.

Stock Index Futures. Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the

exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time.

Counterparty Credit Risk. Our Clients may have contractual agreements with various counterparties, including a prime broker and custodian, to perform various functions or effect certain transactions for or on behalf of the Client. These entities typically are not subject to credit evaluation and regulatory oversight. In addition, our Clients purchase and sell derivative instruments in “over-the-counter” or “interdealer” markets. In many cases, the participants in these markets are not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets.

Institutional Risk and Custodial Risk. The institutions, including brokerage firms and banks, with which we do business on behalf of our Clients may encounter financial difficulties that may impair the operational capabilities or the capital position of a Client. There is a risk that any of such counterparties could become insolvent which is likely to impair the operational capabilities or the assets of a Client and might result in a delay in the recovery of a Client’s assets from such counterparty.

General Risks of Leverage. We use leverage by engaging in short sales, borrowing on margin, entering into swaps and other derivatives contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, the use of leverage requires us to pledge the Client’s assets as collateral.

Securities Lending and Borrowing. We may lend securities to securities brokers and other institutions to earn additional income, or borrow securities from securities brokers or other institutions. If the other party becomes insolvent or bankrupt, our Client could experience delays and costs in recovering payment or the securities. If, in the meantime, the value of the securities changes, our Client could experience further losses.

Repurchase Agreements. We may enter into repurchase agreements, by which we buy a security and simultaneously agrees to sell it back later at a predetermined price, or in reverse repurchase agreements, by which we sell a security and simultaneously agrees to buy it back later at a predetermined price. If the other party to a repurchase or reverse repurchase agreement becomes insolvent or bankrupt, we may experience delays and incur costs in recovering payment or the securities. If the value of the security purchased changes in the meantime, our Clients could experience further losses. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

Risks of Non-U.S. Investments. We may invest in securities of non-U.S. companies, which may be denominated in U.S. or non-U.S. currencies, and use forward non-U.S. currency exchange contracts, which involve unusual risks not typically associated with investing in U.S. companies. These risks include, but are not limited to, less public information available regarding non-U.S. issuers, limited liquidity of non-U.S. securities and political risks associated with the countries in which non-U.S. securities are traded and the countries where non-U.S. issuers are located. Individual non-U.S. economies may differ unfavorably from the U.S. economy in gross national

product growth, inflation rate, savings rate and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. We may invest in securities of non-U.S. governments (or agencies or subdivisions thereof), and some or all of the foregoing considerations also may apply to those investments. Investments may be affected unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar.

Limited Liquidity of Investments. We will invest Client assets in thinly traded and relatively illiquid securities. On behalf of Clients we may also take positions in particular securities that are relatively large as compared to trading volumes or overall market capitalization. In such cases and in the event of extreme market activity, we may not be able to liquidate Client investments promptly if necessary. In addition, our sale of thinly traded securities is likely to depress the market value of such securities and thereby reduce a Client's profitability or increase its losses. We also invest Client assets in PIPE (private investments in public equity) financings and also may invest in restricted securities that are subject to substantial holding periods or that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

Private Equity/Venture Capital Risks. Private equity/venture capital investment involves an extraordinarily high degree of business and financial risk and can result in substantial or complete losses. Many portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. Such companies may face intense competition. Any such portfolio company may fail.

Extreme Volatility. Investments in illiquid securities and securities of companies with micro-to-small-sized market capitalizations involve extreme business and financial risk and can result in substantial or complete loss.

Additional Capital Needs. After making initial investments in portfolio companies, portfolio companies may require additional funding, or we may have the opportunity to increase investments in portfolio companies. Any decision not to make follow-up investments, or the inability to make them, may have substantial adverse effects on portfolio companies in need of such investment or may result in missed opportunities for our Clients to increase participation in ventures, or may cause a decrease in the value of our Client's portfolio.

Competition. Numerous risk capital investors will be competing with us for desirable investment opportunities. Because of this competition and because of limited available capital, Clients might not be able to participate in attractive investments that would otherwise be available.

Time Required for Maturity of Investments. Private businesses can take several years from the date of initial investment to reach a state of maturity when disposition of outstanding securities can be considered, and frequently require even longer periods before disposition can

occur. Clients may not realize a return on any investment in a non-public company within a reasonable time, or at all.

Economic Conditions. Changes in economic conditions can affect Client investments and prospects materially and adversely. These factors may affect the volatility of securities prices and the liquidity of Client investments. Unexpected volatility or illiquidity could impair the Client's profitability or result in losses.

No Control over Portfolio Issuers. Although Clients may acquire substantial positions in the securities of particular companies, Clients may not share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

Concentration of Investments. A Client's investment portfolio may be confined to the securities of relatively few issuers. Concentration in investments in several, relatively large security positions or industries and a loss in any one position or downturn in any one industry could reduce performance materially. The more concentrated a Client's portfolio, the much higher risk of loss than would be the case with a more broadly diversified portfolio.

Portfolio Turnover/Operating Deficits/Expenses. On behalf of our Clients, we trade securities actively and incur significant brokerage, custody and other transaction costs and expenses. An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.

Non-public Information. From time to time, we may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit our flexibility to buy or sell portfolio securities issued by such companies which could reduce potential profit or increase loss.

Information Sources. We select investments for our Clients based in part on information and data filed by the issuers of such securities with various government agencies or made directly available to us by the issuers of securities or others. We are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

Key Man. Coliseum's success depends on the skill and acumen of Adam Gray and Christopher Shackelton. If any of them should cease to participate in Coliseum's activities, Coliseum's ability to select attractive investments and manage the Clients' portfolios could be severely impaired.

Risks Arising from Provision of Managerial Assistance/Insider Status. It is anticipated that our portfolio managers, Adam Gray and/or Christopher Shackelton, will serve on the Board of Directors of one or more portfolio companies, including as a controlling shareholder. In addition, Adam Gray and/or Christopher Shackelton may serve, from time to time, as officers of one or more such portfolio companies. The foregoing activities could expose us and Client assets to regulatory action and/or claims by such portfolio companies, their security holders,

and their creditors. Adam Gray and/or Christopher Shackelton may encounter an actual or potential conflict of interest where their fiduciary duties to such portfolio companies may conflict with our duties to Clients. Further, due to confidential information that may be acquired, or obligations incurred due to these outside officer positions or directorships, we may be prohibited from taking action on behalf of Clients. In certain situations, these affiliations may cause a Fund to be deemed an affiliate of the portfolio company. In such a case, the Fund may have to disgorge any profits from purchases and sales of the securities of such portfolio company within any 6-month period or may only be able to sell securities in such portfolio company under certain limited situation.

Regulatory Changes. The U.S. Congress, the SEC, the CFTC and other regulators have taken, or represented that they may take, action to increase or otherwise modify the laws, rules and regulations applicable to short sales, derivatives and other techniques and instruments in which Clients may invest. It is not possible to predict fully the effects of current or future regulation. However, it is possible that developments in government regulation of various types of derivative instruments, such as speculative position limits on certain types of derivatives, or limits or restrictions on the counterparties with which we engage on behalf of Clients in derivative transactions, may limit or prevent us from using, or limit our use of, these instruments as a part of a Client's investment strategy, and could adversely affect a Client's potential to achieve its investment objective. New requirements, even if not directly applicable to the Client, may increase the cost of a Client's investments. Compliance with such new or modified laws, rules and regulations may also increase a Client's expenses and therefore may adversely affect the Client's performance.

Cybersecurity. With the increased use of technologies such as the Internet to conduct business, our service providers are susceptible to operational, information security and related risks. Cyber incidents affecting us, any administrator for a Fund, and other service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the release of investor information or confidential business information, interference with the ability to calculate a Fund's net asset value, impediments to trading, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines or penalties, reputational damage, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of financial instruments in which we may invest on behalf of a Client, counterparties with which a Client engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions or parties.

Litigation Risks. Clients will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of a Client's investment. If a dispute arises relating to any investment in a portfolio company, we or our personnel may be named as defendants. Beyond direct costs, such disputes may adversely affect a Client in a variety of ways, including by distracting us and harming relationships between the Client and its portfolio company investments or other investors in such portfolio companies.

Portfolio Turnover/Operating Deficits/Expenses. A Fund will incur significant brokerage, custody and other transaction costs and expenses. These and other expenses of operating a Fund (including quarterly Management Fees paid to us) are paid out of the Fund's capital, reducing the Fund's investments and potential for profitability. This risk is higher if the Fund has limited capital.

Market Disruption. The recent global coronavirus pandemic has caused and continues to cause disruption in the global economy, unprecedented business and travel disruption and extreme fluctuations in global capital and financial markets. The pandemic may lead to a decline in business and consumer confidence and spending and presents the risk of an economic recession around the globe. The severity and extent of the impact of the pandemic on the U.S. and global capital and financial markets and economies will depend largely on future developments, including the duration of the spread of the outbreak within the U.S., all of which are highly uncertain and cannot be predicted. This situation is changing rapidly, and additional impacts may arise that we are not aware of currently, including the impact of the pandemic on our service providers. While we have procedures and policies in place to address business disruptions and are closely monitoring the situation, we are unable to predict the consequences of the upheaval caused by coronavirus pandemic, which, depending on the severity and the length of the outbreak, has the potential to negatively impact our service providers as well as each Private Fund's performance and investment strategy and reduce available investment opportunities.

Other General Investment Risks:

- A Client account may hold investments in companies that disappoint earnings expectations and decline, and may short investments in companies that beat earnings expectations and rise.
- We may not be able to obtain complete or accurate information about an investment and may misinterpret the information that we do receive.
- Our activities could cause adverse tax consequences to Clients and Investors, including liability for interests and penalties.

With respect to CCC, COC and CCC III, in addition to the applicable risks set forth above, there are the following additional risks:

Concentrated Portfolio. CCC and COC currently hold and CCC III is expected to hold a limited number of portfolio investments. The highly concentrated nature of these funds' portfolios subjects each fund to a much higher risk of loss than would be the case with a more broadly diversified portfolio. The returns of CCC, COC and CCC III may also not replicate the returns of CCP, which has a more diversified portfolio.

The above is only a brief summary of some of the important risks associated with our investment strategies. Before deciding to invest in a Fund or a Separate Account, potential Investors and Clients should carefully consider all the risk factors and other information set forth in the Governing Documents.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the firm or the integrity of the firm's management in this item.

There are no legal or disciplinary events that are material to a Client's (or Investor's) or a prospective Client's (or prospective Investor's) evaluation of Coliseum's advisory business or the integrity of Coliseum's management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither we nor any of our management persons is registered, or has 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.

As explained in Item 4 above, Coliseum serves as investment manager to and its affiliate, the General Partner, serves as general partner to the Funds. All persons acting on behalf of the General Partner are subject to the supervision and control of Coliseum (the “filing adviser” of Form ADV Part 1A) in connection with any investment advisory activities. In accordance with SEC guidance, the General Partner is registered as an investment adviser in reliance on the Form ADV filed by Coliseum.

We are under common control with another SEC-registered investment adviser, Everside Capital Partners, LLC and its affiliated adviser, Everside Capital Partners Collateral Advisory, LLC (collectively, “**Everside**”). Everside currently acts as investment adviser solely to private funds (the “**Everside Funds**”) although it may provide investment advisory services to other types of clients in the future.

Specifically, our Parent is also the controlling owner of Everside Capital Investors, LLC which is the majority owner of Everside Capital Partners, LLC as well as the majority owner of the general partner of the Everside Funds. The general partner of the Everside Funds is the sole owner of Everside Capital Partners Collateral Advisory, LLC. Our portfolio managers, Adam Gray and Chris Shackelton (the “**Coliseum Portfolio Managers**”) control our Parent. This ownership interest by our Parent, among other things, entitles the Coliseum Portfolio Managers to indirectly receive a percentage of the management fees earned by Everside and a percentage of the performance fees earned by the general partner to the Everside Funds. The Coliseum Portfolio Managers have invested in the Everside Funds and also are members of the senior advisory committee for Everside.

The services provided by Everside are separate and distinct from our advisory services. Coliseum investment advisory personnel are not engaged in Everside’s investment management business and Everside investment advisory personnel are not engaged in Coliseum’s investment management business. Our Clients do not share the same investment strategies as the Everside Funds (whose investment objective is to principally invest in other investment managers). We do not share investment advisory personnel or facilities with Everside or the Everside Funds. We have no business dealings with Everside in connection with the advisory services we provide to Clients. Coliseum will not invest Client assets in the Everside Funds and Everside will not invest the Everside Funds’ assets in any of our Funds.

On occasion, the Coliseum Portfolio Managers will introduce Investors and other persons to Everside for investment advisory services. Similarly, Everside personnel may introduce persons to Coliseum for investment advisory services. Coliseum and Everside and their personnel are not directly compensated for these referrals. However, to the extent that a person that the Coliseum Portfolio Managers introduces to Everside subsequently invests in one of the Everside Funds, this would result in an increase in the size of the Everside Funds which in turn would result in additional compensation to Everside. By virtue of our Parent's ownership interest in Everside, the Coliseum Portfolio Managers would share indirectly in such increased management fees and performance fees.

In addition, Everside Capital Investors does have certain rights with respect to the operations of Everside. These rights include, but are not limited to, consent rights with respect to accepting new clients or limited partners, forming new funds and certain other operational matters. In addition, Everside Capital Investors may cause the sale of Everside's assets.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics. We have adopted a code of ethics (the “**Code**”) which is applicable to all of our officers and employees and other supervised persons (collectively, “**Supervised Persons**”). The Code generally sets the standard of ethical and professional business conduct that we require of all Supervised Persons, requires Supervised Persons to comply with applicable federal securities laws and regulations, and sets forth specific policies and procedures with respect to, among other things: (i) the prohibition of illegal insider trading and market manipulation; (ii) the receipt of material, non-public information and other confidential information; (iii) political donations; (iv) acceptance of gifts; (v) monitoring and restrictions related to the personal securities transactions and other outside activities of Supervised Persons; and (vi) the fiduciary obligations that we and all Supervised Persons owe to each Client.

The Code is circulated at least annually to all Supervised Persons, and all Supervised Persons at least annually must certify in writing that they have received and followed the Code and any amendments thereto.

We will provide a copy of the Code to any Client or prospective Client upon request.

Personal Securities Transactions. We recognize that the personal securities transactions of Supervised Persons demand the application of a high code of ethics, and we require that all such transactions be carried out in a way that does not endanger the interest of any Client. Therefore, to address conflicts of interest, we have adopted a set of procedures, included in the Code, with respect to transactions effected by Supervised Persons for their personal accounts. Among other procedures, Supervised Persons generally must obtain preapproval of personal securities transactions (including all private placements and IPOs) and we have adopted a quarterly securities transaction reporting system for Supervised Persons to monitor compliance with our personal trading policy.

We or our partners, members, managers or employees (or family members of the foregoing) invest for our own accounts (either directly or through entities formed by any of the foregoing persons), subject to the restrictions and procedures in the Code. Except as limited by the Governing Documents, we are not obligated to make any such investment for a Client if we determine that it is inappropriate or otherwise not practical or desirable to make such investment for a Client. Any of the foregoing persons also may invest for their own accounts in securities of issuers whose securities are subsequently purchased for a Client or are already held by a Client, although they generally will not invest concurrently unless they co-invest (directly or through Co-Invest Vehicles) with a Client in private investments. To address the risk that any such persons might use their knowledge about actual or proposed securities transactions for a Client to profit personally by the market effect of such transactions, the Code generally requires preapproval of all personal securities transactions.

General Conflicts Among Clients. Because we and our affiliates have fiduciary duties to different Clients, the interests of our Clients in selecting, allocating, negotiating and administering investments (and particularly in connection with liquidating investments) will conflict in some circumstances and we will have conflicting demands on our time and attention. We will attempt to resolve all such conflicts in a manner that is fair to all such interests.

We allocate investment opportunities among Clients at our sole discretion and are not obligated to make any investment opportunity available to any particular Client. In addition, we select investments for Clients based solely on their own investment considerations. We will give advice and take action with respect to a particular Client that differs from the advice that we give or the timing or nature of action that we take with respect to any other Client. We also will buy or sell a security for one type of client but not for others. Further, we may buy or sell a security for one type of client while simultaneously selling or buying the same security for another type of client. Our policy, however, to the extent practicable, is to allocate investment opportunities we believe are appropriate for Clients among those Clients fairly over time.

Subject to the criteria and restrictions set forth in the relevant Governing Documents, we generally expect to allocate new investment opportunities among (a) first, CCP and all other current and future investment funds/accounts managed or advised by us or an affiliate with the substantially same investment strategy as CCP ("**Coliseum Flagship Funds**"), to the extent such opportunities are appropriate for the Coliseum Flagship Funds and then (b) second, any other existing Clients or Clients that may be established in the future, to the extent such opportunities are appropriate for those Clients (for example, until a Client has reached its target hold level). To the extent that an investment opportunity is or remains available after the foregoing allocations, we may allocate such opportunity among such other persons (whether or not they are Clients or Investors) as we deem appropriate.

We generally expect that any liquidation of an investment (of the same class and security) in any portfolio company that is held by more than one Client will be made on a pro rata basis among them until each such Client has reached its target hold level, unless we determine in good faith that it is not in the best interest of a particular Client to do so.

Further detail regarding our allocation methodology for new investment opportunities in portfolio companies and dispositions of investments is provided in the Governing Documents of the applicable Clients and "Allocation of Co-Investment Opportunities" below.

The material conflicts of interest required to be disclosed pursuant to this Item 11 include those discussed below, although the discussion below does not necessarily describe all of the conflicts that a Client potentially faces. Other conflicts are disclosed in the Governing Documents for the applicable Client and throughout this brochure; the brochure should be read in its entirety for other conflicts.

Management of Multiple Clients — Competing Interests. Different Clients' investments, strategies and instruments could conflict. We may buy for Clients securities of issuers in which another Client has made, or is making, a senior or subordinate investment, which may create conflicts of interest. For example, if one Client is invested in debt securities of an issuer and

another Client is invested in equity securities of the same issuer, if the issuer experiences financial or operating challenges which impact the price of its securities, decisions relating to actions to be taken may raise conflicts of interest between these Clients.

A Client's investment in securities of a portfolio company in which another Client has already invested may present particular conflicts of interest, including raising the risk of using such Client's assets to support positions taken by another Client and the terms of the new financing as well as the allocation of investment opportunities. In addition, a Client may participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value, subordinating existing investments to new investments that are not allocated among Investors in the same proportions, and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Finally, a follow-on investment in securities of a portfolio company may be allocated to one Client and not another Client even though such opportunity has arisen by virtue of an existing investment in that portfolio company by the first Client.

In such circumstances, we may in good faith take steps to reduce the potential for adversity between the two Clients, including causing one Client to take certain actions that, in the absence of such conflict, it would not take, such as: (i) remaining passive in a restructuring or similar situations; (ii) investing in the same or similar classes of instruments as the other Client in order to align their interests; (iii) disposing of such Client's investment in the applicable portfolio company; or (iv) otherwise taking an action designed to reduce adversity. In some cases, we may take actions that could have the effect of benefiting one Client to the detriment of another Client.

Allocation of Co-Investment Opportunities. To the extent that an investment opportunity remains available after the allocations described in "General Conflicts among Clients" above, we may allocate that opportunity among such other persons (which may include Investors, any new co-investment vehicles established or any other persons) as we deem appropriate. Any such remaining opportunity is called a "co-investment opportunity." Allocations of co-investment opportunities are at our sole discretion based on the criteria and subject to the restrictions described in the Governing Documents. We are not obligated to make any investment opportunities available to any Clients (even if a Coliseum Flagship Fund has made an investment). In addition, we are not prevented from making a co-investment opportunity available to a third party (rather than to a Client). For example, we may determine that a potential investment by the Coliseum Flagship Funds is too large or otherwise inappropriate for another Client and offer such co-investment opportunity to an investor in a Coliseum Flagship Fund or other third party.

We may offer co-investment opportunities to different Investors, may offer such opportunities to persons other than Investors and the terms of any such co-investments may differ from the Governing Documents of any particular Client, including the terms of management fees and performance-based allocations and distributions. We may choose to participate in such co-

investment opportunities ourselves or through affiliates if, in our exclusive judgment, such investment is not appropriate at that time for a Client.

Cross Transactions. A cross transaction involves the buying or selling of securities from one Client to another. We may engage in cross trades under limited circumstances. However, we will only do so when we believe it is in the best interest of both Clients and is consistent with the investment objectives and policies of each Client involved in the trades. All such cross transactions will be effected at a price of the securities involved in the trades determined by us in accordance with our pricing policies and procedures.

Principal Transactions. We may enter into principal transactions with Clients by, for example, buying a security from, or selling a security to, a Client (or causing a Client in which we have a significant interest to enter into such a transaction with another Client). Any such transaction shall be approved by the applicable Client in the manner provided in the Client's Governing Documents.

Controlling Interests, Outside Directorships, Officer Positions. The Coliseum Portfolio Managers expect to serve as directors of portfolio companies in which our Clients may invest or have invested. In addition, they may serve, from time to time, as officers of one or more such portfolio companies.

The Coliseum Portfolio Managers may encounter an actual or potential conflict of interest where their fiduciary duties to such portfolio companies conflict with our duties to a Client. In such circumstances, the respective Coliseum Portfolio Manager will consider and take steps to alleviate or manage such conflict, as deemed appropriate under the circumstances, including but not limited to possibly recusing from board deliberations on conflicted matters, and if deemed appropriate, resigning from the public company board.

Due to applicable regulatory restrictions (such as Section 16 of the Securities Exchange Act of 1934 or Rule 144 of the Securities Act of 1933), or confidential information acquired or obligations incurred due to these controlling interests, directorships or outside officer positions, we will be prohibited from taking action on behalf of a Client's account. Therefore we will be required to refrain from buying or selling such securities at times when we might otherwise wish to buy or sell such securities. This may limit our flexibility to buy or sell portfolio securities issued by such companies which could reduce potential profit or increase loss.

The foregoing activities also could expose us or our Clients to litigation or regulatory action by such portfolio companies, their security holders, and their creditors.

Certain Economic/Tax Conflicts. Clients have different management fees, performance fees and/or carried interest or other compensation or profit sharing arrangements. Varying tax structures be employed by us with respect to the receipt of such fees and/or carried interest including but not limited to tax structures that are intended to provide favorable tax treatment to the general partner of a Fund or any of its affiliates, directors, officers or employees. Such other fees or tax structuring therefore create conflicts of interest or other incentives with respect to Clients.

Different Tax Treatment of Certain Investors in the Funds. We take Investors' tax considerations into account in some cases when determining if or when to liquidate investments or enter into other transactions on behalf of a Fund. Such actions may be taken to benefit Investors that are subject to tax while having no benefit for tax-exempt Investors. In some cases, certain Investors may be adversely affected to the extent that any such decision causes a loss that a Fund otherwise would not have incurred (such as if we defer the liquidation of an investment for tax reasons and the investment subsequently declines in value).

Item 12: Brokerage Practices

A. Criteria for Selection of Broker-Dealers

In General—Brokerage Selection

We have discretion to purchase and sell securities for our Clients and to select the broker-dealer for securities transactions and in establishing the commission rates that Clients pay such brokers. We look to the overall quality of service provided by the broker and will consider many factors when making a selection for execution, including but not limited to the following:

- Financial strength and stability of the broker;
- The actual executed price of the security obtained by the broker and the broker's commission rates;
- Research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance our general portfolio management capabilities;
- The size and type of the transaction;
- The difficulty of execution and the ability to handle difficult trades;
- Willingness to execute related or unrelated difficult transactions in the future;
- Willingness to commit capital in the execution of a trade,
- The operational facilities of brokers and/or dealers involved (including back office efficiency); and
- The ability to handle a block order for securities and distribution capabilities.

In no event are we under any duty to obtain the lowest commission or best net price for a Client on any particular transaction, nor are we under any duty to execute any order in a fashion either preferential to a Client relative to other Clients or otherwise materially adverse to such other Clients. We may effect transactions which cause a Client to pay an amount of commission in excess of the amount of commission another broker would have charged, provided, however, that we determine in good faith that such amount of commission is reasonable in relation to the value of brokerage and research services provided by such broker, viewed in terms of either the specific transaction or our overall responsibilities to a Client. The receipt and use of such services will not reduce our customary and normal research activities.

We periodically spot check execution prices against electronic pricing service data to ensure that brokers are obtaining market prices.

At least annually, selected Supervised Persons will meet to review the execution performance of the firm's qualified brokers. The review of brokers will consist of various factors that the reviewers deem necessary for Coliseum to make a reasonable decision about its best execution determinations.

Research and Other Soft Dollar Benefits

"Soft dollars" refers to the practice of using a portion of the commission generated when executing Client transactions to acquire useful research and brokerage services from broker-dealers. We do not engage in soft dollar arrangements.

We have retained Goldman Sachs to serve as the Funds' prime broker and custodian. The services that Goldman Sachs currently provides as prime broker may include providing custody, margin financing, clearing, settlement and stock borrowing. Goldman Sachs provides us with other services, including, but not limited to: technology services, capital introduction services, portfolio reporting and access to electronic communications networks. We may use a substantial portion of these services for research and trading on behalf of Clients. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if we did not receive these services from Goldman Sachs, we would be required to pay for all or some portion of them. We may direct some of our Clients' securities transactions to Goldman Sachs and its affiliates, but we are not required to direct a particular number of trades to Goldman Sachs or to continue to use that firm as the Funds' custodian, but we have an incentive to do so based on prior and continued services provided by Goldman Sachs.

Brokerage for Client Referrals

We may direct Client brokerage transactions to brokers who refer prospective investors to the Funds.

Directed Brokerage

We do not engage in directed brokerage transactions.

Trade Errors

We have an obligation to place orders correctly for Client accounts. If we make an error while placing a trade for a Client account, we will use our best commercially reasonable efforts to break or otherwise correct the trade. Losses for trade errors will be borne by the applicable Client account except for any such act or failure to act that is a result of improper conduct by us (e.g. fraud, willful misfeasance or gross negligence as finally determined by a court of competent jurisdiction).

New Issues

We may from time to time invest Client accounts in "new issues", as defined in relevant rules established by the Financial Industry Regulatory Authority ("**FINRA**"). To the extent that we

may determine to invest Clients in initial public offerings or other new issues, and to the extent such investments are subject to the restrictions imposed by FINRA rules, such investments will be allocated fairly and consistently with applicable FINRA rules. Such rules generally provide that broker-dealers, their affiliates and certain other persons (“restricted persons”) may not be able to participate in new issues. To the extent that Clients invest in new issues subject to these FINRA rules, we may take measures necessary to ensure compliance with applicable rules which may include, for example, prohibiting or limiting investment by restricted persons or by creating multiple class structures pursuant to which a certain class (or classes) of interests may be issued only to restricted persons while other classes exclude restricted persons.

B. Aggregation of Orders/Allocation of Trades

We may aggregate sale and purchase orders of securities for one Client with similar orders being made simultaneously for other Clients if, in our judgment, such aggregation is reasonably likely to result in an overall economic benefit to such Clients, in the aggregate, based on an evaluation that such Clients will benefit from relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, we purchase or sell securities for a Client simultaneously with purchases or sales of like securities for other Clients. Such transactions may be made at slightly different prices, because of the volume of securities purchased or sold. In such event, a Client may be charged or credited, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, the price may be less favorable to a Client than it would be if similar transactions were not being executed concurrently for other Clients.

Item 13: Review of Accounts

A. Periodic Reviews

All accounts are reviewed by our senior investment professionals on a continuous basis to determine their conformity with investment objectives and guidelines. The investment professionals involved in portfolio management receive daily updates of portfolio positions and transactions or otherwise periodically as appropriate to the type of investment. Senior investment professionals, with the assistance of other investment professionals, regularly review and discuss portfolio status, potential investments, performance, and related issues.

B. Client Reports

Investors receive such reports as are provided for in the Fund's Governing Documents. Fund financial statements will be prepared in accordance with U.S. Generally Accepted Accounting Principles and will be distributed to Investors after the end of the Fund's fiscal year.

Separate Account Clients receive such reports as negotiated individually with each Client.

We may rely on information provided by third parties in preparing reports, and a third party may assist in preparing or distributing reports. To the extent reports include or rely upon information from another source, we attempt to obtain such information from reliable sources; however, the accuracy of such information cannot be guaranteed. Reports may also include or rely upon fair value determinations made by us or a third party. While such valuations are made in good faith, their actual or empirical accuracy cannot be guaranteed.

We, in our discretion, may provide more frequent reports and/or more detailed information to all or any of the Investors or Separate Account Clients.

Item 14: Client Referrals and Other Compensation

A. Compensation by Non-Clients

Prime Brokerage Services

Each Fund has a relationship with Goldman Sachs to serve as prime broker and provide prime brokerage services to the Funds. Our use of a prime broker with respect to the Funds may yield increased administrative ease and, therefore, reduced expenses and increased profitability for us. Therefore we may be incentivized to do business with prime brokers who provide certain services. However, we do not believe that the Funds incur above-market cost for prime brokerage as the result of the prime broker providing these additional services.

A prime broker may from time to time introduce potential investors to a Fund. We may take prime brokerage services, including capital introduction, into account when selecting a prime broker. Because an increase in the size of a Fund would likely result in additional compensation or other benefits to a prime broker, a prime broker may receive a benefit from introducing investors to a Fund.

As disclosed in further detail in Item 10, personnel associated with our affiliated adviser, Everside, will introduce persons to us for investment advisory services. We will not compensate Everside for such introductions.

B. Compensation for Client Referrals

We do not currently utilize placement agents to sell interests in the Fund or assist in the solicitation of Investors for the Funds or new Separate Account Clients.

As disclosed in further detail in Item 10, the Coliseum Portfolio Managers will introduce Investors and other persons to Everside for investment advisory services. Everside will not compensate the Coliseum Portfolio Managers directly for such introductions.

Item 15: Custody

Private Investment Funds

Except for certain privately offered securities, neither we nor our affiliates maintain physical possession of the funds or securities of the Funds. To the extent required by the Advisers Act Rule 206(4)-2 (the “**Custody Rule**”), physical custody of Fund assets (other than certain privately offered securities) will be maintained with a bank, trust company, broker-dealer or other qualified custodian (“**Qualified Custodian**”) selected by us in our exclusive discretion, which selection may change from time to time generally without the consent of Investors in the Fund. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor.

From time-to-time we form special purpose entities (“**Special Purpose Entities**”) for particular investment opportunities. Some of these Special Purpose Entities have one or more Funds and one of our Separate Account clients as investors. For purposes of the Custody Rule, we are deemed to have custody of the assets of these types of Special Purpose Entities and in order to comply with the Custody Rule, these Special Purpose Entities will be subject to an annual audit and audited financial statements are distributed to each investor in such.

Separate Accounts

Neither we nor our affiliates will maintain physical possession of the funds or securities that a Client maintains in a Separate Account. To the extent required by the Custody Rule, the assets in a Separate Account are deposited with Qualified Custodian selected by the Client. The Qualified Custodian will send quarterly, or more frequently, account statements directly to the Separate Account Client. Separate Account Clients should carefully review those statements.

Item 16: Investment Discretion

Subject to any investment restrictions set forth in the Governing Documents for a Fund or in the investment management agreement with a Separate Account, we have discretionary authority to make the following determinations without obtaining the consent of any Client before the transactions are effected:

- the investments that are to be bought or sold;
- the total amount of investments to be bought or sold;
- the brokers, investment banks or placement agents, if any, through which investments are to be bought or sold; and
- the acquisition price and associated fees at which investment transactions for a Client are effected.

Our discretionary authority is derived from our authority to manage securities accounts on behalf of Clients pursuant to (a) the Governing Documents, including the Management Agreement of the Fund and (b) a limited power of attorney in each other Client's Separate Account agreement.

Item 17: Voting Client Securities

We have been delegated the authority to vote proxies regarding securities held by our Clients. We have adopted and implemented policies and procedures reasonably designed to ensure that we vote proxies in the best interests of our Clients. In the absence of specific voting guidelines from a Client, we will vote proxies in the best interests of each particular Client, which may result in different voting results for proxies for the same issuer. We believe that voting proxies in accordance with the following guidelines is in the best interests of our Clients.

Generally, we will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.

For other proposals, we shall determine whether a proposal is in the best interests of our Clients and may take into account the following factors, among others:

- whether the proposal was recommended by management and our opinion of management;
- whether the proposal acts to entrench existing management; and
- whether the proposal fairly compensates management for past and future performance.

We may refrain from voting a proxy if we determine it is not in the best interest of its Client, if the security is not held as of the record date or if we determine there is no benefit to voting the proxy.

To determine whether a material conflict of interest exists in voting a proxy, we attempt to consider all factors related to a proxy vote that could affect the value of the investment. In the event that a material conflict of interest exists, we will give the Clients the opportunity to vote the proxy themselves.

Upon request, Clients may obtain a copy of our proxy voting policies or information on how we voted proxies on behalf of the Client.

Item 18: Financial Information

We do not require nor do we solicit prepayment of fees six months or more in advance. We are not aware of having any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our Clients. We have not been subject to a bankruptcy petition in the last 10 years.