

ITEM 1. COVER PAGE

TRIARTISAN CAPITAL MANAGEMENT LLC

Client Brochure

SEC NO.: 801-116697

445 Hamilton Avenue, Suite 1102
White Plains, NY 10601

March 30, 2020

This brochure provides information about the qualifications and business practices of TriArtisan Capital Management LLC ("**TriArtisan**"). If you have any questions about the contents of this brochure, please contact us at 914-607-6960. 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. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

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

ITEM 2: MATERIAL CHANGES

TriArtisan materially updated the items noted below in this brochure (which was declared effective on May 25, 2019). Please note that the defined terms used in this Item 2 have the same meaning given to those terms as defined subsequent sections of this brochure.

Item 4: Prior to becoming a stand-alone registered investment adviser, TriArtisan (SEC No.: 801-116697) was a relying advisor of TACP Manager LLC (SEC No. 801-107787). TriArtisan's registration with the SEC was declared effective on May 25, 2019. TACP Manager LLC filed a Form ADV-W with the SEC on June 4, 2019 and has withdrawn its registration as an investment adviser.

The description of TriArtisan's services agreement with Cowen Investment Management LLC was moved to Item 4. Additional updates to Item 4 include removing references to the types of advisory services no longer undertaken by TriArtisan.

Item 5: TriArtisan reorganized its disclosure for Item 5 and provided additional clarifying information for: the payment of management fees by LLC members; its receipt of a monitoring fee from a company in which a TriArtisan advised LLC invests; the receipt of board of directors' fees; and, the potential conflicts of interest associated with fee payments TriArtisan may receive.

Item 6: TriArtisan clarified existing language in Item 6 regarding its potential to receive performance compensation including how conflicts of interest are addressed when a principal of TriArtisan is also a member of an LLC and/or on a Company's Board of Directors and the opportunity for certain LLC members to make side-by-side investments alongside the LLC.

Item 7: TriArtisan updated existing language describing the types of clients it advises.

Item 8: TriArtisan added the following risk factor: Operating and Financial Risks of Portfolio Companies.

Item 10: TriArtisan added information regarding certain conflicts of interest in providing services to LLCs

Item 11: TriArtisan's compliance program is applicable to its access persons and supervised persons. The definitions of "*access persons*" and "*supervised persons*" were added to provide clarification.

Item 15: TriArtisan updated the description of its custody of the LLCs' funds and securities.

Item 16: TriArtisan clarified its existing language regarding its investment discretion and has deleted references that are no longer applicable.

Item 17: TriArtisan clarified its existing language regarding voting client securities.

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ITEM 4: ADVISORY BUSINESS

A. Description of TriArtisan

TriArtisan Capital Management LLC ("**TriArtisan**"), a Delaware limited liability company, is a wholly owned subsidiary of TriArtisan Holdings Inc. ("**Holdings**"), which is a wholly owned subsidiary of Morgan Joseph TriArtisan Group Inc. ("**MJT Group**"). MJT Group was formed in 2010 from the merger of Morgan Joseph Holdings Inc. and Tri-Artisan Capital Partners LLC, which were formed in 2001 and 2002, respectively.¹ MJT Group's ownership is spread over approximately 140 persons and entities (64 of whom own shares with voting rights). Gerald H. Cromack II controls 14.7% of the voting rights of MJT Group and Rohit Manocha controls just over 16.8% of the voting rights of MJT Group. Mr. Cromack and Mr. Manocha are the principals of TriArtisan, members of MJT Group's Board of Directors and have been delegated decision-making authority concerning the acquisition or disposition of investments by TriArtisan on behalf of Holdings.

Prior to becoming a stand-alone registered investment adviser, TriArtisan was a relying advisor of TACP Manager LLC (SEC No. 801-107787). TriArtisan's registration as a stand-alone investment adviser was declared effective by the SEC on May 25, 2019. TACP Manager LLC withdrew its registration as an investment advisor with the SEC on June 4, 2019.

TriArtisan entered into a services agreement with Cowen Investment Management LLC ("**CIM**") in September 2016. The services provided by CIM (directly and/or indirectly through its parent company, Cowen Inc.) include: accounting, compliance, IT infrastructure including business continuity and cybersecurity, tax support and valuation support services (referred to herein as the "**Services**"). As part of this arrangement, the CIM Legal and Compliance Department (the "**LCD**") provides support and advice to TriArtisan's Chief Compliance Officer regarding the administration and implementation of TriArtisan's compliance program. As compensation for the Services provided, TriArtisan pays CIM a nominal fee that accrues quarterly and is payable annually. This fee is not charged back to the LLCs (as defined below) advised by TriArtisan.

B. Types of Advisory Services

TriArtisan serves as the managing member or co-managing member of four (4) private funds formed as special purpose limited liability companies (each an "**LLC**" or together, the "**LLCs**") that have each invested in or participated in the acquisition of (directly in or via an intermediary entity) a single private, foreign or domestic, company (each, a "**Company**" or together, the "**Companies**").² Unlike mutual and closed-end funds that are registered with the SEC under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), the LLCs are not registered as investment companies with the SEC and are therefore not subject to various provisions of the Investment Company Act. Also, shares or interests in the LLCs are not registered for sale under the Securities Act of 1933, as amended (the "**Securities Act**"), and are instead held by qualified members who meet certain criteria on a private placement basis in "closed" offerings.

TriArtisan does not intend to form any new LLCs, seek new investments for its existing LLCs or offer LLC interests to new members. Notwithstanding the foregoing, the members of certain LLCs have been and may again be afforded the opportunity to make additional capital contributions to an LLC's existing investment in a Company. For a list of the LLCs for which TriArtisan acts as the managing member or co-

¹ TriArtisan Capital Partners LLC was dissolved in 2017. TriArtisan changed its name from MJ Management LLC to TriArtisan Capital Management LLC on April 2, 2015.

² On October 16, 2019 TriArtisan assigned its responsibilities as managing member of MJTA Associates III TGIF LLC to TriArtisan Capital Advisors LLC.

managing member, please reference Section 7.B.(1) of Schedule D of Part 1 to TriArtisan's Form ADV which is publicly available at www.adviserinfo.sec.gov.

TriArtisan intends to conclude its investment advisory activities once all the underlying investments held by the LLCs have been realized and/or liquidated.

C. Investments and Risks

For each LLC and the Company in which it is investing, an investment thesis is developed, and a level of due diligence deemed appropriate for that investment is undertaken. The investment thesis and financial highlights of the target business are presented to potential members, each of whom makes their own independent decision to accept the inherent risks and become a member of the LLC and to what extent. Events subsequent to the formation of the LLC and its investment in a Company may require the modification of the investment thesis and the decisions resulting therefrom. The time horizon to a liquidity event is quite lengthy.

The LLCs each invest in (directly in or via an intermediary entity) the outstanding equity interests of a Company. Company interests or interests in an intermediary entity are typically held in book entry form by the issuing entity. Company interests are illiquid and non-diversified and therefore only suitable for institutional or accredited investors able to assess such investments and risks for themselves and to assume substantial risk up to and including the loss of the entire investment. Moreover, LLC members do not have the right to withdraw from the relevant LLC at their discretion nor do they have the right to sell or transfer their interests in the relevant LLC. LLC member interests are held in book entry form by the LLC.

TriArtisan, by serving as the managing member or co-managing member of each LLC, has the discretion to make investment decisions for each LLC. These decisions involve input into the strategy of the Company in which the LLC is invested, its capitalization planning, refinancing decisions, dividend declarations, proxy voting and the timing and disposition of the investment. The objective of each LLC is to monitor and give strategic direction to the Company's senior management for some period until the Company can be sold, restructured and/or taken public.

Purchasers of irrevocable member interests in the LLC may receive returns in the form of dividends, return of capital, cash and/or securities proceeds of a sale or distributions of shares in the Company, for which there may or may not be a public market. Certain LLCs have invested in a Company in conjunction with other investors or investment funds and therefore do not own a controlling interest in the Company. This may result in the LLC either being forced to exit the investment at a time or manner not of TriArtisan's choosing or not being able to liquidate its investment at a time or manner of TriArtisan's choosing.

TriArtisan is responsible for managing the investments of each LLC in accordance with their respective investment objectives. TriArtisan's management of the LLCs and their respective investment in a Company are qualified in their entirety by reference to each LLC's limited liability company agreement (the "**LLC Agreement**").

In light of the significant risks associated with each LLC, which indirectly include the use of leverage at the relevant Company level, no assurances can be given that members will receive any returns and/or in any specified time frame. Each member of an LLC makes his or her own informed independent decision to invest in the LLC.

D. Wrap Programs

TriArtisan does not sponsor or participate in any Wrap Programs.

E. Assets Under Management

As of December 31, 2019, TriArtisan had approximately \$152,000,000 in discretionary net assets under management. This calculation is based on estimated and unaudited information and is therefore subject to change. TriArtisan has discretion and authority to act for the LLCs. TriArtisan does not currently manage any non-discretionary client assets.

ITEM 5: FEES AND COMPENSATION

A. Management Fees and Performance Compensation

TriArtisan is generally entitled to receive an annual 1% management fee (payable quarterly, in advance) of the amount of invested capital from each LLC member. LLC members typically receive a quarterly invoice and send their payments directly to TriArtisan. Management fees are based on a member's contributions and distributions and are not affected by the appreciation or depreciation of an LLC's investment in a Company. Certain LLCs no longer require the payment of management fees and certain other LLCs have never required the payment of any management fees. TriArtisan may be entitled to performance compensation from all but one of the LLCs it advises. While performance compensation terms vary, TriArtisan is generally entitled to 10% of the realized net profits distributable to each LLC member above a priority return that must be distributed to such member before TriArtisan is entitled to performance compensation, with the potential for higher incentive payments above certain internal rates of return. The specific performance compensation terms for each LLC are described in detail in their respective LLC Agreements.

Employees (as defined in Item 11) and their relations as well as certain MJT Group shareholders and persons with TriArtisan and/or MJT Group business relationships may participate directly or indirectly as a member of an LLC to the extent permitted by the terms of the relevant LLC Agreement. Such participation is on substantially the same terms and conditions as provided to other LLC members except that management fees and performance compensation for these members is typically waived. TriArtisan (in its discretion) has permitted certain substantial institutional members to acquire LLC interests on different terms than other members (including, without limitation, with respect to fees and investment reporting). Unless notification or offering rights have been separately granted in an LLC Agreement or a side letter with one or more members, TriArtisan is not required to notify any or all of the other LLC members of any such terms, nor is TriArtisan required to offer such additional and/or different rights and/or terms to any or all of the other LLC members. Other than its interest in the ultimate profitability of the members' interests in the LLC (via performance compensation payments), TriArtisan does not make capital investments in the LLCs.

B. Other Fees and Expenses

In addition to the management fee and performance compensation payable to TriArtisan, the LLCs generally pay other fees and expenses associated with its investments as disclosed in the LLC Agreements.

The LLC Agreements specify the nature of fees and expenses borne by the Company, the LLC or its members during its founding and over the course of the investment period. These fees and expenses generally include legal, tax preparation, registration, administration, bookkeeping, audit, bank fees, investment banking, brokerage and/or consulting services. Certain LLCs require their members be separately invoiced for their proportionate share of such expenses while other LLCs allow for such expenses to be advanced by TriArtisan and deducted from an LLC member's distributions.

While TriArtisan does not intend to form any new LLCs or make any new investments on behalf of existing LLCs, a Company currently held by an LLC could hire an investment bank to assist it with recapitalizing or to engage in some other related activity. Under certain circumstances, a Company may hire Cowen and

Company LLC, a registered broker-dealer specializing in investment banking services. Although TriArtisan is not an affiliate of Cowen and Company LLC or its parent company, Cowen Inc. ("**Cowen**"), Gerald H. Cromack II and Rohit Manocha are both employees of Cowen and currently registered representatives of Cowen and Company, LLC.

Due to the fee-paying arrangements described above (some of which may be deemed to be significant), there is the potential for conflicting interests between TriArtisan, Mr. Cromack, Mr. Manocha and the LLCs. TriArtisan endeavors to resolve these conflicts in the best interests of the LLC and will disclose all known fees to the LLCs and their respective members.

Please see the relevant LLC Agreement for more details regarding the payment of fees and expenses borne by the Company, the LLC or its members.

C. Payment Method

1. Calculation and Payment of Fees:

Management Fees

Management fees are calculated as a percentage of the LLC member's capital account as of an anniversary or as specified in the LLC Agreement or member's side letter (if any). The 1% management fee for each annual period is invoiced quarterly in advance and is paid directly by the member to TriArtisan. As noted above, the LLCs managed by TriArtisan do not (or no longer) charge management fees.

Performance Compensation

Performance compensation is based on the realized net profits distributable to each member above a priority return that must be distributed to such member before TriArtisan is entitled to any performance compensation. All performance compensation payable to TriArtisan is dependent upon certain threshold rates of return and/or multiples of invested capital.

While performance compensation terms vary by LLC, TriArtisan is generally entitled to 10% of the realized profits distributable to each member above an 8% per annum priority return, with the potential for higher incentive payments above certain greater internal rates of return. TriArtisan has the discretion to, waive, rebate or calculate differently the performance-based fee as to all or any of the members in an LLC and/or agree with a member to waive or alter their performance compensation distribution.

Performance compensation is calculated at the time that funds are to be distributed to the members of an LLC according to the methodology described in the LLC Agreement or member's side letter (if any). Any performance compensation due to TriArtisan is deducted from the amount to be distributed to the member and distributed to TriArtisan.

Internal Rate of Return (IRR) calculations constitute determining that single, uniform, time weighted annualized compound interest rate that appreciates the initial capital contribution and all subsequent contributions or distributions to arrive at the final value of the member's capital account, allowing for the time intervals between the initial contribution, each capital event, and the final value. The IRR calculation is an iterative one performed by a calculator or computer to determine the time weighted annualized compound interest rate that best fits the amount and timing of the capital events.

When TriArtisan's performance compensation is based upon a percentage of the member's gain that is in excess of an agreed-upon priority return expressed as an IRR (the "**Hurdle Rate**"), the

calculation is performed as follows:

- First the member's total gain in dollars is determined by summing all of the distributions made to the member (including the final proposed distribution) less the sum of all of the member's capital contributions.
- Next, the IRR calculation is provided with the dates and amounts of all of the member's capital contributions and distributions except for the final distribution amount, the Hurdle Rate is entered, and the IRR calculation is asked to determine the final distribution amount that will satisfy the Hurdle Rate to the date of the final distribution. The calculation returns the amount of the final distribution that satisfies the agreed upon Hurdle Rate.
- Then TriArtisan's allocation as a percentage is applied to the amount of total gain that is in excess of the net sum of the LLC member's contributions and distributions that would satisfy the Hurdle Rate. That amount is allocated to TriArtisan and the balance to the LLC member.

2. Prepayment of Fees and Refunds

As described above, management fees are invoiced and payable quarterly in advance. If so provided in the LLC Agreement, where the management fee is based upon the LLC member's contributed capital account and a return of capital distribution occurs during the quarterly period, the management fee applicable for the balance of that period will be calculated on a pro-rata basis, the amount of excess prepaid fee determined and that balance will be returned to the LLC member. The next quarterly fee invoice will be based upon the reduced level of the LLC member's capital account.

When an LLC is wound up or dissolved, a pro-rata calculation of any management fee that was paid during that quarterly period will be determined, and any unearned portion of any pre-paid management fee will be returned to the LLC member.

D. Sales Compensation

TriArtisan currently manages four LLCs and does not intend to form any new LLCs or solicit additional members for its existing LLCs. TriArtisan intends to conclude its investment advisory activities once all the underlying investments held by the LLCs have been realized and/or liquidated. TriArtisan does not directly compensate its personnel for soliciting investors. Gerald H. Cromack II and Rohit Manocha both receive discretionary incentive compensation reflecting TriArtisan's and Holdings' revenues and profitability from business activities with which they have been involved. See Item 14 for third-party compensation.

ITEM 6: PERFORMANCE COMPENSATION AND SIDE-BY-SIDE MANAGEMENT

A. Performance Compensation

Performance compensation is based on a share of the capital gains or capital appreciation of the assets of an LLC. Examples of performance compensation include but are not necessarily limited to:

- an incentive allocation to the managing member where the allocation is calculated as a percentage of the realized gains in a member's capital account in an LLC, sometimes referred to as incentive allocation or carried interest
- hurdle rates -- where a manager does not get allocated performance compensation until the member's gain exceeds a benchmark rate, such as a fixed percentage

- in certain cases, the incentive allocation is only earned based upon the IRR in the member's account exceeding a defined percentage

See Item 5 for additional information on performance compensation payable to TriArtisan. The terms for performance compensation and profit allocation are described in detail in the LLC Agreement of each LLC.

One of the risks to LLCs and LLC members emanates from the conflict that can arise between the interests of TriArtisan and the interests of LLC members resulting from performance compensation. Since TriArtisan's greatest potential for gain lies in its profit allocation from performance compensation, it has an incentive to seek the greatest value it believes that it can achieve in the disposition of the LLC or its assets. For the most part, this incentive is consistent with the interests of the LLC members. However, TriArtisan could decide to pass up a potential liquidity event that would not result in performance compensation in the hopes that, with the additional passage of time and events, the future may bring a result that affords increased performance compensation. The risk to the LLC members is that the timing of a liquidity event is significantly deferred, and/or the ultimate result is not as financially attractive or beneficial as the bypassed opportunity. Moreover, members of an LLC who are also principals of TriArtisan (Gerald H. Cromack II and Rohit Manocha) could likewise have personal liquidity, compensation, and/or tax reasons to influence decisions regarding a liquidity event or its timing. LLC members have little or no input into the timing or nature of liquidity events, which can result in a liquidity event's occurrence at a time that is less than optimal for the LLC member.

B. Side-By-Side Management

There are currently no side-by-side investment arrangements in place with the LLCs. However, there may be circumstances in the future that create an opportunity for certain LLC members to make an additional investment in an existing Company in parallel with the relevant LLC or at a different point in the Company's capital structure under terms and/or compensation arrangements that may be different than those of the other LLC members.

Opportunities for a side-by-side investment in an existing Company are reviewed by TriArtisan on a case-by-case basis. TriArtisan will evaluate the facts and circumstances of each opportunity in good faith, including any conflicts of interest associated with the investment. TriArtisan endeavors to allocate such investment opportunities in a manner that does not systematically disadvantage any LLC or LLC member. No LLC member should have any expectation of receiving a side-by-side investment opportunity or be owed any duty or obligation in connection therewith. LLCs (and their respective members) should only have such expectations to the extent required by the relevant LLC Agreement (including, if applicable, any side letters).

ITEM 7: TYPES OF CLIENTS

TriArtisan's clients are the LLCs it manages. The LLCs are not registered as investment companies under the Company Act and rely upon the exclusion from the definition of "investment company" under Section 3(c)(1) of the Company Act. Accordingly, the LLCs have limited their respective offerings to members that are "accredited investors" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act. However, because TriArtisan receives performance compensation from four LLCs, members of such LLCs that bear performance compensation are required to meet the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") and certify that they are at least a "qualified client." Please see the relevant LLC Agreement for each LLC's specific investor qualifications. Members of the LLCs may include high net worth individuals, trusts, pensions, foundations, corporate entities and/or other foreign or domestic public or private funds.

The minimum investment for the LLCs ranges from \$100,000 to \$5,000,000, although the amount varies

per the terms of each LLC Agreement. Investment minimums are generally subject to waiver by TriArtisan.

As noted above, TriArtisan does not intend to form any new LLCs, is not seeking new investments for its LLCs or soliciting new LLC members. Notwithstanding the foregoing, members of certain LLCs have been, and may again be, given the opportunity to make additional capital contributions to their existing investment in the relevant Company. Future circumstances could also create an opportunity for certain LLC members to make an additional investment in an existing Company in parallel with the relevant LLC.

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

A. Methods of Analysis

TriArtisan employs investment processes that incorporate various methods of securities analysis, often including one or more of the following: cyclical, fundamental, technical, macro-economic and quantitative/investment modeling. TriArtisan's sources of information include financial newspapers, magazines, websites, trade journals, inspections of corporate activities, annual reports, prospectuses, filings with the Securities and Exchange Commission, Company press releases, corporate rating services, internal and third-party research reports and meetings, Company presentations and/or interviews, internal or external assessments, including assessments of general or specific world events, and other sources of material deemed appropriate, as well as non-public information provided by the Company pursuant to a non-disclosure agreement (if the Company is publicly traded, TriArtisan may be restricted in its ability to transact in its securities as long as such information remains non-public.) From among these sources, the investment thesis for an LLC and the Company in which it is invested is developed.

No method of securities analysis can guarantee an investment result or outcome and the use of investment tools cannot and does not guarantee investment performance. The methods of analysis utilized by TriArtisan involve the inherent risk that any valuations, pricing inefficiencies, or other opportunities identified may not materialize or have the anticipated impact on the Company's results or the price of a security. Prices of securities may rise, decline, underperform or outperform regardless of the method of analysis used to identify securities. Each method of analysis relies in varying degrees on information furnished from third-party and publicly available sources. This presents the risk that methods of analysis may be compromised by inaccurate, incomplete, false, biased or misleading information. Security prices may be impacted by various factors independent of the methodology used to select securities. For example, a security price may be influenced by the overall movement of the market, rather than any specific company or economic factors. In addition, certain methods of analysis, such as the use of quantitative/investment models, involve the use of mathematical models that are based upon various assumptions. Assumptions used for modeling purposes may prove incorrect, unreasonable or incomplete.

B. Investment Strategies

TriArtisan's investment strategy is for each LLC to invest in or participate in the acquisition of (directly in or via an intermediary entity) a single specific private, foreign or domestic Company. The objective is to monitor and give strategic direction to the Company's senior management for some period of time until the Company can be sold, restructured and/or taken public.

The following is a summary of the inherent material risks associated with TriArtisan's investment strategy and investing in the LLCs it manages. Members of the LLCs should carefully review their respective LLC Agreements for further information on the risks associated with investing in an LLC and Company.

- **Leveraged and Speculative Investments.** An investment in an LLC is speculative and involves a high degree of risk. The Companies in which the LLCs invest are typically leveraged. Leveraging may increase risk.

- **Limited Liquidity.** There are limited channels in the secondary market through which members can attempt to sell and/or purchase interests in an LLC. A member's ability to transact business in the secondary market is subject to restrictions on transferring interests in an LLC and the LLCs do not give members any right of redemption. Thus, an investment in an LLC should be regarded as illiquid, and there may be little or no near-term cash flow available to members. Likewise, an LLC member may not receive any distributions representing the return of capital on an illiquid security for an indefinite period of time.
- **Concentration of Investments.** A strategy that invests all its assets in any one issuer could increase the risk of loss and volatility, because the value of issuer holdings would be more susceptible to adverse events affecting that issuer.
- **Absence of Regulatory Oversight.** The LLCs are not required to be registered under the Investment Company Act and therefore are not subject to the same regulatory requirements as mutual funds.
- **Dependence upon Investment Manager.** As the managing member, or co-managing member, TriArtisan normally has total authority over the LLC; however, TriArtisan is the managing manager of more than one LLC invested in the same Company, which could result in a scenario where the interests of the members of the relevant LLCs are not aligned. TriArtisan's principals (Gerald H. Cromack II and Rohit Manocha) could also have personal liquidity, compensation and/or tax reasons to influence decisions regarding a liquidity event or its timing.
- **Dependence upon Key Personnel.** The ability to carry out the investment strategy may be dependent upon the continued efforts of key personnel at TriArtisan and at the Company.
- **Fees and Expenses.** LLCs often incur high fees; such fees, expenses and performance compensation may reduce investment profits.
- **Complex Tax Structures.** LLCs may involve complex tax structures and delays in distributing important tax information.
- **Limited Reporting.** While TriArtisan may provide periodic performance reports and annual audited financial statements of the LLCs, they are not otherwise required to provide periodic pricing, valuation or other financial information about the LLC or the Company to LLC members.
- **Business and Regulatory Risks of Private Funds.** Legal, tax and regulatory changes could occur during the term of an LLC that may adversely affect the LLC or its members.
- **Minority Interests:** In certain cases, where the LLC has invested in conjunction with other investors or investment funds, the LLC may not own a controlling interest in the Company. This may result in the LLC either being forced to exit the investment at a time or in a manner not of its own choosing or not being able to liquefy its investment at a time or manner of its choosing.

C. Risk of Loss

Members should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment in the LLCs, which members should be prepared to bear. The investment performance and the success of any investment strategy or investment can never be predicted or guaranteed, and the value of an LLC's member's investment will fluctuate due to market conditions and other factors. The investment decisions made, and the actions taken for the LLCs and the Company will be subject to various market, liquidity, currency, economic, political, and other risks, and will not necessarily be profitable and may lose value. It is possible

that a Company cannot be sold. Past performance of other LLCs is not indicative of future performance. ***Investments in securities and other financial instruments involve risk of loss, including total loss, which members must be prepared to bear.***

- **Investment Strategy and Company Management Risk.** There can be no assurance that an investment strategy will produce an intended result, which would result in losses to a member, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of TriArtisan and the Company management in making appropriate corporate decisions in the environment in which the Company operates. Events subsequent to the formation of the LLC and its investment may require the modification of the investment thesis, Company operations, and the decisions resulting therefrom. The time horizon to a liquidity event can become quite lengthy.

In addition to the risks listed here, there may be additional material risks associated with the specific LLC in which members invest. Members should refer to the LLC Agreement of the particular LLC for a discussion of applicable risk factors for that particular investment.

- **Operating and Financial Risks of Portfolio Companies.** Companies in which an LLC invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment or an economic downturn. As a result, Companies that TriArtisan expected to be stable could operate at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or to maintain their competitive positions, or could otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of an LLC's investment strategy and approach will depend, in part, on the ability of TriArtisan to effect improvements in the operations of an investment and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs of Companies entails a high degree of uncertainty. There can be no assurance that TriArtisan will be able to successfully identify and implement such operating improvements and/or recapitalization programs on behalf of the LLCs.
- **Cybersecurity and Electronic Systems Risk.** Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. TriArtisan many rely upon information and technology systems to conduct its business. Such systems might, in some circumstances, be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data or operational disruption. Cybersecurity incidents could potentially occur and might in some circumstances result in the failure to maintain the security, confidentiality or privacy of sensitive data. Cybersecurity incidents experienced by third party vendors or service providers may indirectly affect the LLCs. Cybersecurity risks can disrupt the ability to engage in transactional business, cause direct financial loss and affect the value of assets in which the LLCs invest, harm TriArtisan's reputation, lead to violations of applicable laws, result in ongoing prevention, risk management and compliance costs, and otherwise affect business and financial performance.
- **Coronavirus Outbreak Risks.** The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations,

restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect the LLC's investments and the industries in which they operate. Furthermore, TriArtisan's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the LLC's investment strategies and objectives and TriArtisan's business and to satisfy its obligations to the LLCs, their investors, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among TriArtisan's personnel and its service providers would also significantly affect TriArtisan's ability to properly oversee the affairs of the LLCs (particularly to the extent such impacted personnel include Rohit Manocha and Gerald Cromack), which could result in a temporary or permanent suspension of an LLC's investment activities or operations.

- **Possibility of Fraud and Other Misconduct of Employees and Service Providers.** Misconduct by employees of TriArtisan, service providers to TriArtisan or the LLCs and/or their respective affiliates could cause significant losses to such LLCs. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such LLCs, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such LLCs and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such LLCs. TriArtisan has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that TriArtisan will be able to identify or prevent such misconduct.
- **U.S. Data Privacy and Security Laws.** The U.S. is in a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act ("**CCPA**"), effective since January 1, 2020; the New York SHIELD Act, aspects of which took effect on October 23, 2019 and other aspects of which took effect on March 21, 2020; a range of proposed additional laws in California, New York, Texas, Utah, Washington and other states; and a range of proposed additional laws at the federal level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels of quality. On behalf of the LLCs, TriArtisan will endeavor to maintain systems that promote compliance with CCPA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on TriArtisan and its LLCs.

ITEM 9: DISCIPLINARY INFORMATION

TriArtisan does not believe it has any legal or disciplinary events that are material to the evaluation of TriArtisan's advisory business or the integrity of TriArtisan's management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Registration as a Broker-Dealer or Registered Representative

As previously noted in Item 5.C., Gerald H. Cromack II and Rohit Manocha are both employees of Cowen and are registered representatives of Cowen's wholly owned, broker-dealer subsidiary, Cowen & Company, LLC (CRD # 7616).

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person

None.

C. Material Relationships

TriArtisan currently has certain relationships or arrangements with related persons that are material to its advisory business. Below is a discussion of such relationships/arrangements and conflicts that arise from them.

- **Broker-dealer, municipal securities dealer, or government securities dealer or broker**

Cowen and Company, LLC, the affiliated broker-dealer of Cowen, may be engaged for compensation to provide investment banking services by a Company in which an LLC is invested (including, but not limited to underwriting, advisory, broker-dealer, placement, or investment banking services to the Company after the LLC's acquisition of an interest in the Company). Cowen and Company, LLC, with whom Mr. Cromack and Mr. Manocha also act as registered representatives, may be employed by a Company's Board of Directors to perform advisory, capital raising, or other transactional services for the Company at a negotiated rate of compensation. Such engagements may or may not be awarded in competition with other investment banks. Cowen and Company, LLC may also provide investment banking services for other companies, public or private, whose business activities may be deemed to conflict with or compete with the business of a Company in which an LLC is invested.

In the event Cowen and Company, LLC is engaged for compensation to provide investment banking services as described above, there is the potential for conflicting interests between TriArtisan, its principals Mr. Cromack and Mr. Manocha and the LLCs. TriArtisan endeavors to resolve these conflicts in the best interests of its LLC and will disclose all known fees to its LLCs and their members. Moreover, TriArtisan and Cowen and Company, LLC have established policies and procedures reasonably designed to prevent the misuse by TriArtisan, Cowen and Company, LLC, and its personnel of material information regarding issuers of securities that have not been publicly disseminated.

The roles of Mr. Cromack and Mr. Manocha at Cowen and Company LLC are classified by TriArtisan as an "outside business activity." TriArtisan does not believe the outside business activities of Mr. Cromack and Mr. Manocha create any material conflict of interest relating to the appropriate allocation of investment opportunities or the devotion of time necessary to effectively manage the LLCs advised by TriArtisan.

- **Investment Company or other pooled investment vehicle**

The LLCs managed by TriArtisan are private funds and listed in Section 7.B on Schedule D in Part I of TriArtisan's Form ADV as filed with the SEC. TriArtisan may serve as manager of LLCs that are invested in Companies which may be in similar businesses and/or deemed to be in competition with each other. If a principal of TriArtisan sits on the Board of Directors of a Company who may be deemed to be in competition with another Company, it will be disclosed to each of the affected Companies.

Neither TriArtisan nor its principals are obligated to allocate any specific amount of time or investment opportunities to an LLC. Because TriArtisan may receive performance compensation in connection with its management of an LLC, TriArtisan may be incentivized to devote a disproportionate amount of time and resources to that LLC and its Company at the expense of other LLCs that only charge a management fee or have no fees. TriArtisan and its principals intend to devote as much time as they deem necessary for the management of each LLC.

- **Other investment adviser or financial planner**

TriArtisan is a co-manager with an unaffiliated investment adviser for two LLCs which are invested in the same Company as listed in Section 7.B on Schedule D in Part I of TriArtisan's Form ADV as filed with the SEC.

Gerald H. Cromack and Rohit Manocha also act as portfolio managers for TriArtisan Capital Advisors LLC, a relying advisor of CIM. TriArtisan Capital Advisors LLC and CIM are both wholly owned subsidiaries of Cowen and affiliates of Cowen and Company, LLC.

As previously noted, TriArtisan is no longer forming new LLCs or soliciting new members on behalf of its existing LLCs. Notwithstanding the foregoing, members of certain LLCs have and may again be given the opportunity to make additional capital contributions to an existing investment in a relevant Company.

TriArtisan and TriArtisan Capital Advisors LLC both have established policies and procedures reasonably designed to prevent the misuse of material information regarding issuers of securities that have not been publicly disseminated. The role of Mr. Cromack and Mr. Manocha at TriArtisan Capital Advisors LLC is classified by TriArtisan as an "outside business activity." TriArtisan does not believe the outside business activities of Mr. Cromack and Mr. Manocha create any material conflict of interest relating to the appropriate allocation of investment opportunities or the devotion of time necessary to effectively manage the LLCs advised by TriArtisan.

TriArtisan has no financial planner relationships.

- **Futures commission merchant, commodity pool operator, or commodity trading advisor**

None.

- **Banking or thrift institution**

None.

- **Accountant or accounting firm**

None.

- **Lawyer or law firm**

None.

- **Insurance company or agency**
None.
- **Pension consultant**
None.
- **Real estate broker or dealer**
None.
- **Sponsor or syndicator of limited partnerships**
See above.

D. Certain Conflicts of Interest in Providing Services to LLCs

LLCs may invest in Companies offering investment opportunities at different levels of the capital structure. The result is that the best interests of investors at different levels of a Company's capital structure may not be aligned, particularly during situations involving dividend declarations, liquidity events, recapitalizations, and disposition events, etc. or in the event of financial distress of the Company.

Additional conflicts of interest may also exist when a TriArtisan employee serves on a Company's Board of Directors. While serving as a member of a Company's Board of Directors may enhance TriArtisan's ability to manage an LLC's investments; the position could also restrict the LLC's ability to sell the related securities when, and on the terms, most suitable. Given the potential conflicting fiduciary duties a TriArtisan appointee owes to the Company on the one hand, and that TriArtisan owes the LLC on the other hand, board memberships and board observer roles may result in a decision that is either not in the best interest of the LLC or not in the best interest of the shareholders of the Company. As a general matter, TriArtisan will endeavor to act in the best interests of the common (or equivalent) shareholders seeking to maximize shareholder value through disposition of the LLC's interests.

TriArtisan endeavors to resolve conflicts of interest in a manner that it determines in its discretion to be fair and equitable. If a material conflict is identified, TriArtisan will take steps to resolve the conflict in the best interests of the LLC, including, but not limited to, consulting the LCD and outside counsel and disclosing the conflict to the relevant LLC members. LLC members should expect some degree of variation, and potentially inconsistency, in the way potential conflicts of interest are addressed. While TriArtisan intends to resolve conflicts in an impartial manner, there can be no assurance that TriArtisan's own interests will not influence its conduct.

E. Selection of Other Investment Advisers

TriArtisan does not recommend or select other investment advisers for clients.

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

A. Code of Ethics

In order to address conflicts of interest, TriArtisan has adopted a Compliance Manual and a Code of Ethics (the "**Compliance Program**") that it has developed in consultation with its compliance services provider, CIM. The Compliance Program is applicable to TriArtisan's "*access persons*" and "*supervised persons*" (collectively referred to herein as "**Employees**").³ The Compliance Program generally sets the standard of ethical and professional business conduct that TriArtisan requires of its Employees. The Compliance Program requires Employees to avoid activities, interests and relationships that may interfere or appear to interfere with making decisions in the best interests of the LLCs. More specifically, the Compliance Program seeks to place the interests of the LLCs over the interests of any Employee; imposes standards of business conduct for all Employees; requires Employees to comply with the federal securities laws; regulates Employee personal securities transactions, including requiring all Employees that qualify as covered persons to obtain pre-approval before investing in hedge fund or private placement investments; and requires reporting and review of Employee personal securities transactions. TriArtisan will provide a copy of the Code of Ethics to any LLC member upon request.

As discussed further below, the Compliance Program includes provisions relating to the confidentiality of an investment advisory client's information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items and personal securities trading procedures, among other topics. All Employees must acknowledge the terms of the Compliance Program annually, or when it is materially amended and are also obligated to acknowledge the terms of the Code of Ethics quarterly.

Please note that Employees and their relations may participate directly or indirectly as a member of an LLC to the extent permitted by the terms of the relevant LLC Agreement. Such participation is on substantially the same terms and conditions as provided for other LLC members except that management fees and performance compensation are waived.

B. Recommendations to Clients

See Item 11.C below and Item 5.E above.

C. Participation or Interest in Client Transaction

To the extent permitted by the terms of the relevant LLC Agreements, Employees (including the employees of TriArtisan's affiliates and their shareholders and their respective relations) as well as MJT Group shareholders and persons with TriArtisan and/or MJT Group business relationships may participate directly or indirectly as a member of an LLC to the extent permitted by the terms of the relevant LLC Agreement. Such participation is on substantially the same terms and conditions as provided for in the LLC Agreement of the relevant LLC except that management fees and performance compensation are waived.

³ The term "*access person*" is a supervised person who has access to nonpublic information regarding clients' purchase or sale of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic. A "*supervised person*" includes any persons who provide investment advice on behalf of TriArtisan and is subject to TriArtisan's supervision and control.

D. Personal Trading

Please see Items 11.A and 11.C above.

ITEM 12: BROKERAGE PRACTICES

Not applicable (the LLCs do not trade in marketable securities and the LLC member interests are not marketable securities).

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

TriArtisan reviews Company financial information as released by the Company's Board of Directors, which generally occurs at least quarterly. If financial or operational information is available more frequently, it is reviewed when received. TriArtisan meets quarterly following the receipt of Company information to assess the value of the Company and the LLC.

B. Non-Periodic Reviews

Events affecting any of the Companies may trigger a non-periodic review by TriArtisan.

C. Client Reports

Members of the LLCs receive such reports as are determined by terms described in the relevant LLC Agreement (or as otherwise negotiated by the member directly with TriArtisan). Where TriArtisan is deemed to have custody of an LLC's assets and required to comply with Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"), audited financial statements of the LLC are prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**") and distributed to members within 120 days after the end of the LLC's fiscal year-end or as otherwise permitted under applicable provisions of the Advisers Act.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation by Non-Clients

As noted above in Item 5, TriArtisan may receive fees in exchange for providing management, consulting, financial and other services to Companies beneficially owned by the LLCs. In addition, Employees expect to be reimbursed by a Company for travel, entertainment, direct and/or other out-of-pocket expenses incurred in the course of serving on a Company's Board of Directors or any committees or sub-committees of a Board of Directors in connection with attendance at meetings, recruitment of directors or management, interviews with attorneys, accountants, recruiters, consultants, investment bankers, vendors, customers, prospects, investors or lenders or their agents, and other actual or potential counterparties plus any other direct expenses incurred as a result of activities undertaken at the request of the Company's Board of Directors or management.

B. Compensation for Client Referrals

TriArtisan is no longer forming new LLCs, pursuing new investment opportunities or soliciting new members on behalf of its existing LLCs. Although certain LLCs have historically utilized a third-party placement agent to solicit investors, the placement agent is no longer being utilized. While very unlikely, additional fees could be payable to the third-party placement agent in the event certain performance benchmarks of the relevant LLCs (for which it solicited members) are met. In the unlikely event such payments are made, TriArtisan will update its disclosure in this Brochure and in Part 1A of Form ADV.

ITEM 15: CUSTODY

TriArtisan is deemed to have custody of the LLCs' funds and securities because it has the authority to deduct advisory fees from an LLC's account or otherwise withdraw funds from an LLC's bank account (provided the LLC has a bank account). The Custody Rule generally requires investment advisers to maintain the assets of its advisory clients in separate accounts with a qualified custodian; however, securities acquired directly or indirectly from the issuer in a non-public offering, recorded in the advisory client's name on the books of the issuer (or transfer agent) and only transferable with the consent of the issuer benefit from an exception to the qualified custodian requirement.

The private securities in which the LLCs have invested are maintained in book entry form with the Company and meet the requirements of the qualified custodian exception. Three LLCs currently have bank accounts at a commercial bank selected by TriArtisan for handling capital contributions, distributions and expenses. Any account statements related to the LLCs are sent by the qualified custodian (i.e., the commercial bank) to the LLC and TriArtisan. The records of each member's interest and capital account in the LLCs are maintained in book entry form by TriArtisan.

Although TriArtisan is subject to the Custody Rule; it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each LLC it advises because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each LLC be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and will require each LLC to distribute its audited financial statements prepared in accordance with GAAP to all LLC members within 120 days of the end of its fiscal year.

ITEM 16: INVESTMENT DISCRETION

Pursuant to the LLC Agreement to which each member becomes a party as part of the LLC's subscription process, TriArtisan is designated as the managing member (or co-managing member) of the LLC with broad discretionary powers that are enumerated in the LLC agreement. TriArtisan does not currently manage any non-discretionary client assets.

ITEM 17: VOTING CLIENT SECURITIES

The LLCs are primarily invested in Companies which typically do not issue proxies. If the LLCs are invested in Companies that undertake an initial public offering, such Companies will issue proxies. As the managing member (or co-managing member) of the LLCs, TriArtisan exercises voting authority with respect to the securities held by the LLCs and exercises such authority in a manner in which it believes is in the best interests of the LLCs. In compliance with Advisers Act Rule 206(4)-6, TriArtisan has adopted proxy voting policies and procedures.

TriArtisan's general policy is to vote proxy proposals, amendments, consents or resolutions in a prudent and diligent manner that will serve the applicable LLC's best interests and is in line with each LLC's objectives. Because each LLC only owns an interest in a single Company and is part of a group that controls the business of the target investment, following the acquisition, as the managing member of the LLC, TriArtisan can be expected to vote the LLC's shares or other interests, either via proxy or by direct representation at a shareholder meeting, in agreement with the recommendations of the Company's Board of Directors, on which the LLC has direct or indirect representation.

TriArtisan reserves the right to abstain on any particular vote, vote differently than as recommended by the Company's Board of Directors or otherwise withhold its vote or consent on any matter including if the costs associated with voting such proxy outweigh the benefits to an LLC or if the circumstances make such

an abstention or withholding otherwise advisable and in the best interest of the relevant LLC. Conflicts of interest may arise between the interests of an LLC, on the one hand, and TriArtisan and/or its affiliates or Employees, on the other hand. If TriArtisan determines that it may have, or is perceived to have, a conflict of interest when voting proxies, TriArtisan will consult the LCD and address matters involving such conflicts of interest in accordance with its proxy voting policies and procedures.

Notwithstanding the foregoing, historically only a small minority of the total number of investments affected by TriArtisan for its LLCs have been in publicly-traded securities and, therefore, TriArtisan's proxy voting activities have been limited. Members may obtain a copy of TriArtisan's proxy voting policies and procedures and its proxy voting record for the LLC of which they are a member upon request.

ITEM 18: FINANCIAL INFORMATION

TriArtisan is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the LLCs and has not been the subject of a bankruptcy petition at any time during the past ten years.