

**TENGRAM CAPITAL PARTNERS, L.P.**

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**Part 2A of Form ADV: Firm Brochure**

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**This brochure provides information about the qualifications and business practices of Tengram Capital Partners, L.P. If you have any questions about the contents of this brochure, please contact us at (203) 454-6999. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Tengram Capital Partners, L.P. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

Since the last annual update to this Disclosure Brochure on Form ADV Part 2A for Tengram Capital Partners (the “Brochure”) was filed with the SEC on March 26, 2019, Item 4 has been updated to reflect changes in roles at the Advisory Firm. Other changes have been made to the Brochure, some of which may enhance existing disclosures, but Tengram Capital Partners does not consider these changes to be material.

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## **Item 4 Advisory Business**

### *A. Description of Advisory Firm and Principal Owners.*

Tengram Capital Partners, L.P. is a Delaware limited partnership that provides investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended (collectively, the “private fund clients”). The firm is based in Westport, Connecticut, with an additional office in New York City. William Sweedler and Matthew D. Eby (together, the “Managing Partners”) are the principal owners of Tengram Capital Partners, as well as Tengram Capital Associates, LLC (“TCA”) and Tengram Capital Associates II (“TCA II”), which serve as general partner and/or managing member of the firm’s private fund clients. Tengram Capital Partners, TCA and TCA II are referred to herein, collectively, as “Tengram Capital Partners,” unless the context requires otherwise.

Tengram Capital Partners was founded in 2010 by the Managing Partners to formalize the investment strategy and partnership they developed over the preceding five years and to leverage the significant operating and financial experience of the Managing Partners by focusing on investment opportunities in the branded consumer products and retail industries.

Prior to founding Tengram Capital Partners, Mr. Eby and Mr. Sweedler had jointly sponsored equity investments in excess of \$150 million across eight transactions (the “Precedent Transactions”) through Windsong Brands, the investment vehicle owned by Mr. Sweedler. The Precedent Transactions were led jointly by the Managing Partners and involved their personal capital as well as the capital of third-party investors, both institutional and high net worth investors.

Effective as of March 2020, Richard Gersten and Andrew Tarshis have resigned as Partners of Tengram Capital Partners. However, Richard Gersten will continue to serve as an advisor to Tengram Capital Partners as an independent consultant.

The Managing Partners are responsible for the sourcing, analyzing, structuring, financing, oversight, and disposition of Tengram Capital Partners’ investment transactions and each serves on Tengram Capital Partners’ investment committee (the “Investment Committee”).

### *B. Advisory Services Offered.*

Tengram Capital Partners provides investment advisory services to its private fund clients, which invest in consumer or retail companies with underdeveloped or growing brands at attractive valuations in strong segments in the consumer space.

The investment objective of the private fund clients is to achieve long-term capital appreciation through equity and equity-related investments in publicly-listed and private companies in the branded consumer products and retail space, including, without limitation, following segments: apparel, sporting goods, consumer electronics, home furnishings, health and beauty, and spirits and beverage. Tengram Capital Partners may also invest in PIPEs and debt securities that have equity-like returns or an equity component or are related to its equity investments.

Tengram Capital Partners' services to the private fund clients typically include, as applicable:

- sourcing, analysis, structuring, financing, oversight, and acquisition of investments on behalf of the private fund clients;
- monitoring, developing, rehabilitating, managing and/or operating portfolio investments post-acquisition, including in some cases in collaboration with or through unaffiliated third parties;
- reporting to the private fund clients on the performance of their investments;
- providing day-to-day managerial and administrative services to the private fund clients; and
- advising with respect to the timing and terms of disposition opportunities.

Tengram Capital Partners serves as the investment adviser of each of the private fund clients. Various limited partnerships or limited liability companies, including TCA and TCA II, serve as the general partner or manager (each, a "Management Entity") of the private fund clients. The Management Entities are subject to Tengram Capital Partners' supervision and Code of Ethics, together with its other compliance policies and procedures as adopted by Tengram Capital Partners. References in this brochure to Tengram Capital Partners may include, as the context requires, the Management Entities through which it provides investment advisory services, such as entities that serve as general partners, managing members or managers to certain private fund clients.

*C. Individually Tailored Advisory Services.*

As a general matter, the advisory services provided by Tengram Capital Partners to private fund clients are tailored to the investment objectives, strategies and guidelines set forth in the governing documents of such private fund clients. The advisory services provided to private fund clients are not tailored to the individual needs of any particular investor in a private fund client. However, depending on various factors, Tengram Capital Partners may enter into agreements, commonly referred to as "side letters", with investors that may waive or modify certain terms applicable to their investment in a private fund client, or provide certain rights in addition to those provided in the governing documents of the private fund client.

*D. Wrap Fee Programs.*

Tengram Capital Partners does not participate in wrap fee programs.

*E. Assets Under Management.*

As of December 31, 2019, Tengram Capital Partners managed approximately \$475.9 million of private fund client assets, all of which are managed on a discretionary basis.

## **Item 5 Fees and Compensation**

### *A. Description of Compensation.*

Tengram Capital Partners charges investment advisory fees (“Management Fees”) to its private fund clients in consideration for its investment advisory services. Management Fees are typically payable quarterly in advance, depending on the private fund client. Management Fees are generally based on capital committed to the private fund client. The amounts of and the terms applicable to Management Fees may vary by private fund client and are set forth in the governing documents of each private fund client. Management Fees paid by the private fund clients are indirectly borne by the investors in the private fund clients. The Management Fees are subject to waiver or reduction by the Management Entity of the applicable private fund client, in its sole discretion, with respect to some or all of the investors in the private fund client (including in connection with investments in the private fund client made by Tengram Capital Partners or its affiliates).

Management Fees may be reduced or “offset” by fees received by Tengram Capital Partners or its affiliates as more fully described under Item 5(C) – Fees and Compensation—Other Fees and Expenses.

In addition, as described in Item 6 - Performance-Based Fees and Side-by-Side Management, Tengram Capital Partners or its affiliates has the potential to earn performance-based compensation from private fund clients in the form of carried interest.

Further, pursuant to the governing documents of a private fund client, the applicable Management Entity, in its discretion, may elect to offer one or more of the limited partners of the private fund client the opportunity to co-invest alongside the private fund client with respect to a particular investment. Management Fees and/or carried interest may be received by Tengram Capital Partners or its affiliates in connection with such co-investment opportunities, as determined on a deal-by-deal basis.

### *B. Deduction of Fees.*

Until a private fund client makes its first investment, Management Fees are paid to Tengram Capital Partners out of capital contributions made by the limited partners of the private fund client (which payments reduce the unfunded commitments of such limited partners). After a private fund client makes its first investment, Management Fees may be paid to Tengram Capital Partners either out of capital contributions made by the limited partners or from investment proceeds.

In addition, prior to the beginning of each year, Tengram Capital Partners has the right to waive a portion of capital contributions that would otherwise be required to be made by limited partners for Management Fees. In exchange for the waiver, Tengram Capital Partners or an affiliate will receive a profits interest in all distributions payable by the applicable private fund client solely out of profits otherwise payable to the limited partners with respect to such capital contributions.

*C. Other Fees and Expenses.*

Tengram Capital Partners typically provides management, consulting and advisory services for its portfolio companies and receives fees and/or expense reimbursements in connection with such services (“Asset Management Fees”). Also, Tengram Capital Partners may receive fees and/or expense reimbursement from such portfolio companies in connection with mergers, acquisitions, add-on acquisitions, financings, re- financings, sales and similar transactions (“Other Fees”). In some cases, these fees may be significant and may exceed Management Fees.

Asset Management Fees and Other Fees attributable to the private fund clients’ investments will generally be used, at least in part, to reduce or “offset” Management Fees charged to private fund clients to the extent set forth in the governing documents of such private fund client(s). The terms of the Management Fee offset vary from private fund client to private fund client. Investors in each private fund client should refer to the governing documents of such private fund client for the exact terms of the Management Fee offset applicable to their fund.

In addition, an officer or employee of Tengram Capital Partners may, from time to time, serve in an executive capacity or otherwise provide specific services to a portfolio company of such private fund client, for a specified period of time, pursuant to terms and conditions negotiated on an arm’s length basis, taking into account the nature of the services provided. Any such fees received by officers or employees of Tengram Capital Partners in this context will not be used reduce or “offset” Management Fees charged to an applicable private fund client.

Each private fund client is responsible for all expenses relating to its own operations, including fees, costs and expenses directly related to the purchase and sale of securities; expenses of custodians, counsel and accountants; any insurance, indemnity or litigation expenses; all costs of the private fund client’s administration, including preparation of its financial statements and reports to limited partners, costs of holding any meetings of partners or relevant committees, and any taxes, fees or other governmental charges levied against the private fund client. In addition, the private fund clients are responsible for all fees and expenses due to any legal, financial, accounting, consulting, or other advisors or any lenders, investment banks and other financing sources in connection with transactions which are not consummated, without regard to any potential co-investors that may have invested in the transaction. Out-of-pocket expenses associated with completed transactions generally will be reimbursed by portfolio companies or capitalized as part of the acquisition price of the transaction. An investor in a private fund client should refer to the applicable governing documents for the private fund client for a complete description of the expenses payable by the private fund client.

Tengram Capital Partners is responsible for all of its day-to-day operating expenses, including office overhead and compensation of employees.

*D. Payment of Fees in Advance.*

In the event that a private fund client’s investment advisory agreement with Tengram Capital Partners terminates during a period for which investment advisory fees have been paid in advance,

Management Fees payable by such private fund client will be charged on a pro rata basis through the date of termination, and any fees paid in advance but not earned will be refunded to the private fund client.

*E. Additional Compensation and Conflicts of Interest.*

None of Tengram Capital Partners, its affiliates, or any of their supervised persons accepts compensation for the sale of securities or other investment products.

The applicable governing documents for each private fund client have provisions that allow such private fund clients to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the private fund clients limited partners or even in lieu of calling capital. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying a private fund client's reported net internal rate of return (IRR), particularly in the early years of a private fund client's investment cycle. Such borrowings can also accelerate the date upon which a private fund client's preferred return will be achieved for purposes of determining when Tengram Capital Partners (or affiliates which earn carried interest) are entitled to begin receiving carried interest payments on distributions from a private fund client. In accordance with the terms of the applicable governing documents, interest payments and other fees and expenses incurred in respect of such borrowings are partnership expenses and such expenses will decrease a private fund client's net returns over time. The terms of each private fund client's borrowing arrangements and borrowings outstanding, if any, are disclosed to the limited partners in the quarterly and annual financial statements of each private fund client.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

As noted above, Tengram Capital Partners has the potential to earn performance-based compensation in the form of carried interest. Such carried interest may create an incentive for Tengram Capital Partners to make investments on behalf of the private fund clients that are riskier or more speculative than might otherwise be the case in the absence of such carried interests. In addition, Tengram Capital Partners may have an incentive in allocating investment opportunities to favor Fund's or other clients with a potential for performance-based compensation over clients with no performance-based compensation. To address this conflict, Tengram Capital Partners has adopted policies and procedures that are designed to ensure that, over time, all of its clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. See Item 10.E (Other Financial Industry Activities and Affiliations – Allocation of Investment Opportunities) for a more detailed description of Tengram Capital Partners' investment allocation policies and procedures.

## **Item 7 Types of Clients**

Tengram Capital Partners provides investment advisory services to the private fund clients. The investors in the private fund clients include institutional investors (such as pension and profit-sharing plans, sovereign and governmental entities, trusts, charitable organizations, and other investment entities or business entities), family offices and high net worth individuals, and may include, directly or indirectly, principals or other employees of Tengram Capital Partners and its



affiliates.

Certain of the private fund clients require a minimum investment, which is set forth in the private fund clients' governing documents. The Management Entity of each private fund client, in its sole discretion, may accept investments that are less than the required minimum investment set forth in the applicable governing documents.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss Methods of Analysis and Investment Strategies.**

Tengram Capital Partners is focused on achieving long-term capital appreciation for its private fund clients through equity and equity-related investments in publicly-listed and private companies in the branded consumer space.

Tengram Capital Partners relies on its experience operating and investing in branded consumer businesses in evaluating new investment opportunities for its private fund clients. The investment strategy of Tengram Capital Partners is focused on key investment principles, including (i) investing in businesses that have strong brands with potential for expansion, (ii) providing operating support and direction to the businesses, (iii) building strong management teams, and (iv) leveraging Tengram Capital Partners' operators and advisors to support management and provide valuable industry insight (both in evaluating an investment opportunity and on a post-investment basis).

Prior to making an investment, Tengram Capital Partners engages in an extensive due diligence review process focusing on the fundamentals of the underlying business, the strength and recognition of the company's intellectual property and the performance and capabilities of the company's management team.

Tengram Capital Partners seeks to employ investment and operating structures designed to provide downside protection for its private fund clients. These structures may include investing through securities that are senior in the capital structure, taking majority or control positions, ensuring that management has significant investment capital at risk, and limiting the use of leverage. In addition, when applicable, Tengram Capital Partners will seek to employ an investment structure that separates the company's intellectual property from its operations, thereby preserving value of the company's brand in the event of an operating downturn.

### **Risk of Loss**

Acquiring an interest in a private fund client involves a number of significant risks. An investment in a private fund client may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a private fund client.

Investment risks include, but are not limited to, the following:

*No Assurance of Investment Return.*

The marketability and value of each private fund client's investments will generally

depend upon factors beyond the control of the private fund client and Tengram Capital Partners. There can be no assurance that investments will be profitable or realized or that any distributions will be made to investors with respect thereto. Investment proceeds to private fund clients will ultimately depend upon the success of the investments made by the private fund client. The receipt of investment proceeds also will be subject to the terms and provisions of the operative documents of the private fund clients and related agreements.

#### *Competitive Market for Investment Opportunities.*

The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that Tengram Capital Partners will be able to locate and complete investments that satisfy the investment objectives of the private fund clients or fully invest the committed capital of the private fund clients. Competition for such investment opportunities could come from other consortia, financial investors, and other asset managers and owners. These competitors may have financial, geographic, or strategic advantages that may reduce Tengram Capital Partners competitiveness and potentially materially and adversely affect its ability to successfully conclude transactions.

#### *Financial and Business Risk of Portfolio Companies.*

Investments in portfolio companies made by the private fund clients involve a significant degree of financial and/or business risk. The private fund clients may invest in companies that are believed to be operating below their potential. These companies face unique risks not associated with larger, more established companies. The profitability and survival of portfolio companies may depend on their ability to access sufficient sources of appropriate financing at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance.

#### *Illiquidity of Investments in Portfolio Companies.*

Interests in portfolio companies or vehicles in which a private fund client invests are typically illiquid and typically do not provide current income. As a consequence of illiquidity, there is a significant risk that the private fund clients will be unable to sell or otherwise dispose of investments at attractive prices or will otherwise be unable to complete any exit strategy with respect to investments. These risks can be further exacerbated by changes in the financial condition or business prospects of a portfolio company or other vehicle in which a private fund client invests, changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions in which the portfolio companies are located or in which they may conduct their respective businesses.

### *Long-Term Nature of Investments in Portfolio Companies.*

Investments by private fund clients may not be liquidated or realized for a significant period of time. Factors such as overall economic and market conditions, the performance of the applicable company, the competitive environment and the availability of potential acquirers may shorten or lengthen the private fund client's holding period with respect to an investment. Accordingly, any significant return from the disposition of an investment may not occur for a number of years.

### *Reliance on Management of Portfolio Companies.*

Although Tengram Capital Partners will monitor the performance of portfolio companies, the performance of these companies depends substantially on their management teams on a day-to-day basis. Consequently, the value of a private fund client's investment in a portfolio company will be affected significantly by the efforts and decisions of operating management teams.

### *Reliance on Management of Tengram Capital Partners.*

The success of the private fund clients will depend in part on the ability of Tengram Capital Partners to improve the operating performance of portfolio companies and to dispose of investments of private fund clients in a manner that maximizes profit. The loss of the services of one or more members of the professional staff of Tengram Capital Partners or any of its affiliates providing services to the private fund clients, the portfolio companies or companies in which they invest or related entities could have an adverse impact on the private fund clients' ability to realize favorable investment results. In addition, Tengram Capital Partners expects that the professional staff of Tengram Capital Partners and affiliated entities that provide services with respect to the private fund clients, their portfolio companies and related entities will continue to have responsibilities with respect to other investment vehicles and accounts. Thus, such persons will have demands made on their time relating to the investment activities and other functions of other investment vehicles and accounts.

### *General Economic and Market Volatility.*

Investments by private fund clients are subject to the risk that economic factors and market conditions will decrease or increase in value. This “market risk” is driven by factors that are common to all securities in a particular market or asset class. The value of portfolio companies may fluctuate widely over short or extended periods in response to market or economic news and conditions. If there is a general decline in the financial markets, it is possible investments of the private fund clients may lose value regardless of the business operations of the issuers. In particular, the short- and long-term impacts of the current COVID-19 pandemic on the U.S. and global economies are unknown at this time and could be severe, especially in the retail space where the private fund clients focus their investment activities.

### *Legal and Regulatory Risks.*

Legal, tax and regulatory changes could occur during the period of time in which a private fund client holds its investment or investments that may adversely affect the private fund client. The regulatory environment for investment vehicles that invest in private equity and venture capital investments (and their investment advisors) is evolving, and changes in the regulation of such vehicles and advisors may adversely affect the value of investments held by the private fund clients. New laws or revised regulations imposed by governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect the private fund clients, may be adopted in the future. The private fund clients may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations.

### *Follow-On Investments.*

Following the initial investment in a portfolio investment, a private fund client may be called upon to provide additional funds or have the opportunity to increase its investment in such company or to fund additional investments through such company. There is no assurance that the private fund client will make follow-on investments or that the private fund client will have sufficient funds to make all such investments. Any decision not to make follow-on investments or a private fund client's inability to make them may have substantial negative impact on the portfolio investment in need of such investment.

### *Risks Associated with Non-U.S. Investments*

Our private fund clients may make investments in non-U.S. issuers. These types of investments may involve certain special risks due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, there may be less information publicly available about a non-U.S. issuer than about a U.S. issuer, and issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than U.S. issuers. The securities of some non-U.S. governments and companies and non-U.S. securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Non-U.S. brokerage commissions and other fees are also generally higher than in the United States. In addition, the expenses normally associated with non-U.S. investments often exceed those associated with U.S. investments

### *Conflicts of Interest.*

The investments of a private fund client may be subject to various conflicts of interest, including those between investors in a private fund client and between Tengram Capital Partners and a private fund client. The conflicts are more fully discussed in Item 10 –

Other Financial Industry Activities and Affiliations, Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading and in certain private fund clients’ offering or governing documents.

#### *Equity Securities Risk.*

Investments by our private fund clients include common and preferred stocks. These types of investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of equity holders are subordinate to all other claims on a company's assets. The value of equity securities of a portfolio company could decline if the financial condition of the portfolio company declines or if overall market and economic conditions deteriorate. Equity investments risk a loss of all or a substantial portion of the investment.

#### *Concentrated Portfolio*

The investment strategies pursued by the private fund clients involve making investments in a relatively small number of portfolio companies. As a result, each private fund client’s portfolio tends to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a private fund client’s overall performance.

#### *Illiquidity of an Investment in the Private Fund Clients*

Investments in the private fund clients are illiquid, and interests in a private fund client may not be transferred without the prior consent of the applicable Management Entity and the satisfaction of certain other conditions. Investors in the private fund clients should be able and prepared to maintain their investments in the private fund client over the entire life of the private fund client.

#### *Limited Control Rights in the Private Fund Clients*

An investment in the private fund clients is a passive investment. As limited partners, investors in the private fund clients have no control over the day-to-day operations of the private fund clients and limited rights to protect themselves if they are dissatisfied with the manner in which a private fund client is being operated. Limited partners are highly dependent on the investing skills and management abilities of Tengram Capital Partners to achieve success.

#### *Valuation*

The valuation of the private fund clients’ investments is a difficult task that relies heavily on Tengram Capital Partners’ business judgment. Although Tengram Capital Partners maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the private fund clients’ auditors), there can be no assurance that the private fund clients will be able to realize their

investments at price that is commensurate with the value at which such investments have been carried on the private fund clients' books.

### *Pooled Investment Vehicle*

Tengram Capital Partners manages each private fund client in a manner that is consistent with the best interests of the private fund client, which is not necessarily consistent with the best interests of each individual investor in the private fund client. In particular, Tengram Capital Partners may structure investments so as to maximize tax efficiency for the private fund client, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.

### *Cross-Investments*

Some private fund clients have cross-investments in certain portfolio companies with other private fund clients, and in certain instances a portion or all of one private fund client's investment in a given portfolio company may be junior or senior in priority to another private fund client's investment in the same portfolio company. Such circumstances give rise to potential conflicts between the best interests of one private fund client over the best interests of another.

No guarantee or representation can be made that a private fund client will achieve its investment objective or that investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the private fund clients could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable private fund client's investment, operational and other actual and potential risks.

## **Item 9 Disciplinary Information**

There are no legal or disciplinary events involving Tengram Capital Partners, its partners or employees that are material to a private fund client or an investor in such client, or prospective private fund client or investor.

## **Item 10 Other Financial Industry Activities and Affiliations**

### *A. Broker-Dealer Registration.*

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

### *B. Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor.*

Neither we nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

*C. Relationships Material to Advisory Business.*

Neither we nor any of our management persons have any relationship or arrangement that is material to our advisory business or to the private fund clients with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; or sponsor or syndicator of limited partnerships.

*D. Recommending Other Investment Advisers.*

We do not recommend or select other investment advisers for the private fund clients.

*E. Allocation of Investment Opportunities.*

Tengram Capital Partners provides investment advisory services to a number of private fund clients and may in the future provide such services to additional private fund clients. The investment strategies of the private fund clients may overlap to some degree. In addition, Tengram Capital Partners and its affiliates engage in a broad spectrum of investment activity that may overlap with private fund clients' investment strategies.

The governing documents of the private fund clients generally include restrictions on the allocation of investment opportunities. In addition, the governing documents may include provisions allocating specific types of investment opportunities to one or more private fund clients or other persons. Subject to any such restrictions set forth in the private fund clients' governing documents, Tengram Capital Partners generally has discretion to allocate investment opportunities using its best judgment, considering such factors as it deems relevant (including the size of the investment opportunity, the objectives of the applicable private fund clients, target rates of return, diversification considerations, risk profile, available capital and expected holding periods). Therefore, one private fund client may compete with other private fund clients or other persons for investment opportunities.

In exercising its discretion, Tengram Capital Partners may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among private fund clients with differing fee, expense and compensation structures, Tengram Capital Partners may have an incentive to allocate investment opportunities to the private fund clients or other vehicles from which Tengram Capital Partners or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit. In addition, in certain cases, the TCP Partners and/or employees of Tengram Capital Partners, may own direct interests in a portfolio company, which could create a conflict of interest with respect to the allocation of potential investment opportunities between a private fund client and such portfolio company.

Investments made by one private fund client in a portfolio company in which another private fund client has previously invested, present conflicts of interest, including determinations of whether existing investors are receiving a price that is higher or lower than market value 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. To help mitigate these potential conflicts, if such a cross – fund transaction is proposed, advisory committee approval for such a transaction may be sought as a condition to consummating the transaction. In addition, a fairness opinion from an investment banking or appraisal firm may be obtained. In all cases, Tengram Capital Partners seeks to resolve any conflicts of interest on a fair and equitable basis.

*F. Fees for Tengram Capital Partners Services.*

As described above under Item 5(C) – Fees and Compensation—Other Fees and Expenses, Tengram Capital Partners and its affiliates may be entitled to receive fees from the private fund clients and/or their portfolio companies in consideration for certain services provided, including Asset Management Fees and Other Fees. The opportunity to earn these fees creates a potential conflict of interest between Tengram Capital Partners and/or its affiliates, on the one hand, and such private fund clients and their investors, on the other hand, because (1) the amounts of such fees may be substantial and (2) although in some cases the amount of these fees may reduce future Management Fees paid by the private fund clients, the private fund clients and their investors generally do not have an economic interest in such fees. Except as disclosed in the private fund clients’ governing documents, the terms of any fees and related services will be fair to the private fund client and on terms no less favorable to the client than would be obtained on an arm’s length basis, taking into account the nature of the transaction and the services provided.

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

*A. Code of Ethics.*

Tengram Capital Partners has adopted a written Code of Ethics which applies to all of its directors, officers, employees, and any person who enters into a significant consulting or other similar relationship with Tengram Capital Partners that is not specifically exempted ("Covered Persons"). Tengram Capital Partners’ Code of Ethics requires Covered Persons to serve the best interests of its clients in compliance with its status as a fiduciary, to comply with applicable federal securities laws and to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Tengram Capital Partners’ Code of Ethics includes insider trading policies and procedures. Among other things, each Covered Persons must pre-clear certain personal securities transactions and must also provide copies of trade confirmations and periodic account statements, annual securities holdings reports and quarterly securities transactions reports. Tengram Capital Partners will make its Code of Ethics available to any investor or prospective investor who requests a copy.

*B. Principal Transactions.*

Tengram Capital Partners may recommend that a private fund client purchase from, or sell securities or other assets to, Tengram Capital Partners, its affiliates or their personnel, or Tengram Capital Partners may cause a private fund client to do so. If Tengram Capital Partners, its affiliates or their personnel were to engage in any such transaction they would only do so in accordance with the requirements of Section 206(3) of the Advisers Act, including the



requirement to obtain the prior consent of each private fund client that is a party to the transaction. This prior consent may be obtained directly from the investors in the private fund client or from an advisory committee comprised of certain representatives of the investors of the private fund client participating in the transaction.

*C. Investments in Securities Recommended by the Investment Adviser.*

Tengram Capital Partners, its affiliates and/or their personnel may have a direct or indirect financial interest in the securities and other assets purchased and sold by a private fund client, including as a result of co-investment and/or carried interest arrangements. Further, personnel of Tengram Capital Partners and its affiliates have made personal investments through investment vehicles that invest in the private fund clients. These arrangements are intended to align the interests of Tengram Capital Partners' personnel with the third party investors in the private fund clients.

*D. Purchases of Securities by the Investment Adviser and the Clients at the Same Time.*

To the extent Tengram Capital Partners or any related person acquires a direct or indirect interest in the securities and other assets of a private fund client through a co-investment, such persons will acquire and dispose of their interests in such securities and other assets at the same time and on the same terms as the private fund clients, except as otherwise disclosed in the governing documents of the private fund clients.

## **Item 12 Brokerage Practices**

Tengram Capital Partners may in some circumstances select or recommend broker-dealers for the sale of an investment by a private fund client. If any private fund client holds public securities as a result of a portfolio entity becoming publicly traded, Tengram Capital Partners seeks to obtain best execution in executing such transactions.

In selecting brokers and negotiating commission rates, Tengram Capital Partners will look not just for lowest possible commission cost or dealer spread, but also for whether the transaction represents the best qualitative execution and therefore takes into account several factors, including, but not limited to, the financial stability and reputation of the broker, depth of experience with the applicable type of transaction, the quality of investment research and related services, brokerage strategies and special execution capabilities.

Tengram Capital Partners has no arrangements with brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from client transactions (so called "soft dollar" arrangements).

## **Item 13 Review of Accounts**

*A. Monitoring of Accounts.*

Tengram Capital Partners' investment staff is responsible for reviewing and monitoring each private fund client's investments on an ongoing basis. The investment staff includes Tengram Capital Partners' executive officers and specialists in investment analysis, research, asset

management, capital markets and asset disposition. The investment staff is responsible for identifying, evaluating, structuring and negotiating investments, overseeing the ongoing management of the investments and for management or oversight of financings, recapitalizations and dispositions.

*B. Reports to Clients.*

Reports are prepared and furnished to investors in the private fund clients in accordance with the governing documents of such clients. Generally, each investor in a private fund client is furnished (1) on a quarterly basis, unaudited financial statements and summary information with respect to each investment, (2) on an annual basis, audited financial statements, summary information with respect to each investment and information to enable such investor to complete its U.S. federal income tax return with respect to such investor's investment in the private funds.

**Item 14 Client Referrals and Other Compensation**

*A. Non-Client Compensation or Benefit.*

Tengram Capital Partners and its affiliates may provide certain services to entities in the private fund clients' portfolios and may receive compensation from persons other than the private fund clients in connection with such services. These services are described in greater detail under Item 5(C) – Fees and Compensation—Other Fees and Expenses. Any compensation received in connection with such services may or may not offset all or a portion of the Management Fee received by Tengram Capital Partners from the associated private fund client, depending on the governing documents of such private fund client. To the extent any such compensation does not fully offset the Management Fees received by Tengram Capital Partners from the associated private fund clients, the persons receiving the compensation may be incentivized to spend a disproportionate amount of time and attention to such private fund clients. Tengram Capital Partners generally seeks to address this potential conflict of interest by (1) agreeing with investors in certain private fund clients that the terms of any such dealing shall be fair to the client and on terms no less favorable to the client than would be obtained on an arm's length basis, taking into account the nature of the transaction and the services provided, and (2) maintaining policies and procedures designed to cause Tengram Capital Partners, its affiliates and their personnel to satisfy their advisory obligations to each private fund client in connection with their activities.

*B. Solicitation Arrangements.*

From time to time, Tengram Capital Partners or its affiliates may enter into solicitation arrangements pursuant to which Tengram Capital Partners or their affiliates compensate third parties for referrals that result in a person investing in a private fund client. Except as provided in the governing documents of a private fund client, any fees and expenses payable to any such placement agents will be borne by Tengram Capital Partners or its affiliates directly or indirectly through an offset against the investment advisory fee payable by such private fund client.

## **Item 15 Custody**

Tengram Capital Partners or its affiliates are generally deemed to have, custody (within the meaning of Rule 206(4)-2 under the Advisers Act) of the funds and securities held by the private fund clients. Each investor in a private fund client receives within 120 days of the end of the fiscal year of such private fund client audited financial statements that comply with Rule 206(4)-2(b)(4) under the Advisers Act. As a result, the investors in the private fund clients are not provided account statements under Rule 206(4)-2(a)(3) and (5) under the Advisers Act.

## **Item 16 Investment Discretion**

Pursuant to each private fund client's governing documents, Tengram Capital Partners or the Management Entities have discretionary authority to make investment determinations on behalf of the relevant private fund client. This authority is subject to limitations set forth in the applicable offering materials and governing documents (including any side letters executed with investors) for each private fund client.

## **Item 17 Voting Client Securities**

To the extent that any private fund client holds voting securities, Tengram Capital Partners (or the applicable Management Entity) has the authority to direct the voting of such securities except to the extent provided in the governing documents of the private fund client.

Existing and prospective investors in a private fund client may request information from Tengram Capital Partners about how any voting securities held by such private fund client were voted. Tengram Capital Partners will provide a copy of its proxy voting policy to any existing or prospective investor upon request.

## **Item 18 Financial Information**

Tengram Capital Partners does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to private fund clients, and it has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

Not applicable.