

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser: Piper Jaffray Private Capital, LLC						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	800 Nicollet Mall	Minneapolis	MN	55402		612-303-6331

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: **Piper Jaffray Private Capital, LLC**

SEC File Number:

801- **63853**

Date:

03/30/2010

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|--|------------|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 100 | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services..... | | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above... | | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above..... | | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities... | | % |
| <input type="checkbox"/> | (8) Provides a timing service | | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above..... | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) Foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission |
| (4) <input type="checkbox"/> Corporate rating services | (7) <input checked="" type="checkbox"/> Company press releases |
| | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
☒ ☐

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☒ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No
☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☒ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☒ No

Piper Jaffray Private Capital, LLC
Form ADV – Schedule F

This brochure provides information about the qualifications and business practices of Piper Jaffray Private Capital, LLC (hereinafter “the Applicant”). Please contact Gretchen Postula, Investor Relations, of the Applicant, if you have any questions about the contents of this brochure. 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.

Response to Items 1 and 3

The Applicant is a fund of funds investment manager that makes commitments from pooled investment vehicles and single-sourced vehicles to venture capital funds, leveraged buyout funds, infrastructure funds and similar private equity vehicles, all of which are typically limited partnerships. Such private equity vehicles, in turn, invest primarily in unregistered equity and/or debt securities of private companies. Such vehicles may also invest in or own publicly-traded debt or equity securities and options or warrants to purchase debt or equity. The Applicant also manages direct investment funds, which primarily will make investments in the debt or equity securities of private companies. Such funds may also invest in or own publicly-traded debt or equity securities and options or warrants to purchase debt or equity. Any cash held pending investment or distribution to investors is held in money market or similar accounts.

All investors should review the Private Placement Memorandum and other offering and organizational documents of the funds in conjunction with this brochure for complete information on the investment objectives, fees and strategies of a particular fund. There is no assurance that any of the funds’ investment objectives will be met or that the funds’ strategies will be successful.

The Applicant does not publish reports on a fee or subscription basis.

The Applicant’s annual advisory fees generally range from 15 to 100 basis points depending on the size of each investor’s commitment amount (fee is inversely proportional to commitment size) and the applicable fund. The applicable fee rate is multiplied by each investor’s commitment amount to determine the annual fee for each investor. Annual advisory fees are paid quarterly in arrears and in accordance with negotiated terms between the Applicant and each respective fund. In certain circumstances, annual advisory fees may be reduced or waived with respect to certain investors. Investors are requested to refer to the offering or organizational documents of each of the funds for complete information on the advisory fees charged by a particular fund.

Certain allocations to the Applicant and/or its affiliates are calculated and are charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (“carried interest”). The carried interest charged varies from fund to fund, but typically ranges from 5 to 20% of certain gains. The Applicant and its related persons require that all investors participating in such fee arrangements be “qualified clients” as required pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”). Such fee arrangements may create an incentive for the Applicant to recommend investments which may be riskier or

more speculative than those which would be recommended under a different fee arrangement. Investors are requested to refer to the offering or organizational documents of each of the funds for complete information on the carried interest charged by a particular fund.

The Applicant's funds include Private Equity Partners (PEP) I, PEP II (Venture Fund II, LBO Fund II and Direct Fund II), CleanTech Ventures, PEP III (Venture Fund III, LBO Fund III), PEP IV (Venture Fund IV, LBO Fund IV, CleanTech Fund IV and Direct Fund IV), and CleanTech Alliance Fund (CleanTech Alliance Fund, CleanTech Alliance Fund of Funds and CleanTech Alliance Direct Fund). For these funds, the third parties and independent contractors may be paid placement agent fees or referral fees. The fees may be flat monthly retainers and/or fees based on percentages of client commitments sourced by the placement agents and referral parties.

Investors in a fund managed by the Applicant will bear the fees and expenses of such fund, and all investors in such fund will indirectly bear the fees and expenses of the underlying funds in which such fund invests. Similarly, investors in a fund managed by the Applicant will bear the carried interest payments with respect to such fund, and all investors in such fund will indirectly pay an additional carried interest in respect of the underlying funds in which such fund invests to the extent that a carried interest is paid to such underlying fund or its general partner or sponsor.

The funds are offered exclusively to accredited investors pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, and are therefore not required to register as investment companies under the Investment Company Act of 1940 in reliance upon certain exemptions available to funds whose securities are not publicly offered.

The Applicant's services may be terminated generally by any of its private investment fund clients upon 60 days' prior written notice to the Applicant. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Investors in the private investment funds should refer to the investment terms in the offering documents.

Response to Item 2

The Applicant serves as the general partner and investment manager for the Funds.

Response to Items 3 and 4

The Applicant provides investment advice with respect to various types of securities and investments. Investors are requested to refer to the offering or organizational documents of the funds for complete information on the methods of analysis, sources of information and investment strategies employed with respect to a particular fund. The Applicant typically makes commitments to fund managers and direct investments to companies based on the relevant offering materials, publicly available returns data (e.g., from industry data sources such as Thompson Venture Economics) and proprietary information gleaned from the Applicant's due diligence investigation of each fund manager or company management the Applicant reviews.

Response to Item 5

Advisory persons associated with the Applicant must possess, minimally, appropriate business experience and all required licenses. In addition, the Applicant considers other relevant factors, such as prior relevant employment and educational background, in determining whether an applicant is suitable for employment.

Response to Item 6

Scott Barrington, DOB 9/17/68 (Investment Committee)

Managing Member, Piper Jaffray Private Capital LLC

Education: Macalester College, BA in Mathematics and Economics; University of Michigan Law School, JD

Background (last five years): Manager of private equity funds at Piper Jaffray

Daniel Donoghue, DOB 3/27/61 (Investment Committee)

Co-founder of Discovery Partners

Education: Boston College, BS in Business Administration; University of Chicago Graduate School of Business, MBA

Background (last five years): Currently, manager of a small-cap public sector hedge fund and private equity funds; previously Head of Piper Jaffray Private Capital.

Thomas Schnettler, DOB 10/11/56 (Investment Committee)

President & COO, Piper Jaffray Companies.

Education: St. John's University; Harvard Law School

Background (last five years): Vice Chairman & CFO, Piper Jaffray & Co., Head of Investment Banking, Head of Equities and Investment Banking

Buzz Benson, DOB 10/8/54 (Investment Committee)

Managing Director, SightLine Partners

Education: St. John's University, BS in Accounting

Background (last five years): Managing Director of Piper Jaffray Ventures and Sightline Partners

Tad Piper, DOB 10/10/46 (Investment Committee)

Board of Directors, Piper Jaffray Companies

Education: Williams College, BS in Economics; Stanford University, MBA

Background (last five years): Chairman of the Board and Vice Chairman, Piper Jaffray Companies.

Danny Zouber, DOB 8/2/75

Managing Director, Piper Jaffray Private Capital

Education: University of Wisconsin-Madison, BBA in Finance, Investment and Banking

Background (last five years): Vice President of Piper Jaffray Ventures; Vice President of Deephaven Capital.

Michael Pohlen, DOB 5/2/69

Managing Director, Piper Jaffray Private Capital

Education: BS in Actuarial Science, University of Minnesota; MBA from the Carlson School of Management at the University of Minnesota

Background (last five years): Vice President in Piper Jaffray investment banking group; founder and President of an investment fund; Vice President at Deephaven Capital Management

Ann Charlotte McCague DOB 3/28/61

Chief Compliance Officer, Piper Jaffray Private Capital

Education: BA English Literature, Augsburg College

Background (last five years): Chief Compliance Officer of Piper Jaffray & Co.; Chief Compliance Officer of ThinkEquity Partners LLC.

Certain officers and other employees of the Applicant are separately licensed as registered representatives of Piper Jaffray & Co., a FINRA registered broker dealer. As such, these individuals, in their separate capacities as registered representatives, will be able to effect securities transactions, for which they will receive separate, yet customary compensation. While the Applicant and these individuals endeavor at all times to put the interest of the clients first as part of the Applicant's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest.

Response to Item 8

Applicant is affiliated with Piper Jaffray & Co., which provides investment banking, equity research and trading services to its clients. All Piper Jaffray Private Capital associated personnel are employees of Piper Jaffray & Co. Private Capital Personnel devote their full-time to managing alternative investment vehicles for investors. Piper Jaffray & Co. also provides the Applicant with various other resources and services, including office space and information technology, compliance, human resources, trading, legal and accounting services. The Applicant may source certain clients from Piper Jaffray as noted above in the response to Item 1.

As described in the response to Item 1, the Applicant is a fund of funds investment manager that makes commitments from pooled investment vehicles and single-sourced vehicles to venture capital funds, leveraged buyout funds, infrastructure funds and similar private equity vehicles. The Applicant also manages direct investment funds, which primarily will make investments in the debt or equity securities of private companies. The Applicant or an affiliate of the Applicant generally serves as the general partner to these funds. Please refer to Schedule D of Form ADV Part I for a complete list of such funds (available at <http://www.adviserinfo.sec.gov>).

Response to Item 9

The Applicant checked boxes A-E because of its affiliation with Piper Jaffray & Co., a registered broker/dealer.

The Applicant may, via its controlling ownership interest in one or more funds managed by the Applicant, buy securities for itself from or sell securities it owns to other funds managed by the Applicant, provided that the sale or purchase is consistent with the Applicant's fiduciary duty to the client. The Applicant's interest in any such transaction will be fully disclosed in writing to such funds and the written consent of the fund (which may, in certain circumstances, be provided

by the fund's Advisory Committee) will be obtained prior to such transactions in accordance with all applicable state and federal securities laws.

The Applicant and its affiliates may engage in "agency cross transactions" as defined in Rule 206(3)-2 promulgated by the SEC under the Advisers Act, in which an affiliate of the Applicant acts as a broker for both an advisory client and for another person on the other side of the transaction. The Applicant's affiliates may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such agency cross transactions.

In its capacity as the general partner of each of the funds, the Applicant and/or its affiliates may have indirect beneficial interests in the securities owned by the funds, and therefore may share in the profits and losses generated by the funds' portfolio of investments.

In addition, the direct investment funds are designed primarily to make co-investments in the portfolio companies of the underlying venture, buyout and infrastructure managers of the Applicant's fund of funds vehicles. The Applicant is therefore expected to invest capital from the direct investment funds into some of the same securities that will be held in its funds of funds vehicles. The Applicant has discretion as to which companies to select for investment. Depending on the timing of the Applicant's offerings, Investors may be able to choose to invest in more than one of the Applicant's fund of funds vehicle at any given time.

Allocation of commitments and investment decisions with respect to fund investment opportunities are made by the Applicant with respect to all clients in accordance with the Applicant's investment allocation policy, which takes into account multiple criteria, including: specific account objectives, account size and capital available for investment, the existing investment mix of an account, diversification needs, the size of the investment opportunity and the ability to make meaningful investments for each client. In the event the investment opportunity is suitable for more than one fund, the Applicant's Investment Committee will derive an allocation that is fair and equitable under the circumstances. In such situations, the Investment Committee may generally allocate an investment opportunity to eligible funds in the order of priority of their inception dates.

Response to Item 9.E

The Applicant has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Applicant's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth the Applicant's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with the Applicant may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of the Applicant that no person employed by the Applicant shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

The Applicant requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. The Applicant's Code of

Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to disciplinary action.

The Applicant will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at the Applicant's principal address.

Response to Item 10

For the Applicant's funds, investors generally must commit a minimum of \$1 million, subject to waiver on a case by case basis.

Response to Item 11

The Applicant will continuously monitor portfolio investments on behalf of the funds. Investments are reviewed in the context of each fund's stated investment objectives and guidelines.

The Applicant or its affiliates will use commercially reasonable efforts to provide fund investors with written quarterly and annual reports on the investment portfolios of the respective funds. The Applicant cannot furnish financial reports to fund investors unless and until the general partner or manager of each underlying portfolio investment has provided the Applicant or its affiliates with financial information necessary to complete such reports. The Applicant or its affiliates will use commercially reasonable efforts to obtain such financial information from such entities on a timely basis.

Response to Item 12

The Applicant has discretion to select venture funds, LBO funds and infrastructure funds for commitments from pooled vehicles and single-sourced vehicles subject to the restrictions set forth in the partnership agreements of the private investment funds. These underlying managers then have full discretion to buy and sell securities. The Applicant is only expected to have discretion to sell a security of a private or public company if the underlying fund managers distribute shares to its limited partners rather than cash. In such event, the Applicant can either distribute shares to investors or sell the shares in order to distribute cash. The distribution of such shares from the underlying manager to the Applicant typically is effected through a broker of the underlying manager's choosing or the Applicant may utilize Piper Jaffray & Co. subject to best execution requirements. The Applicant endeavors at all times to seek best execution for such trades as part of the Applicant's fiduciary duty, investors should be aware that the receipt of compensation by an affiliate itself creates a conflict of interest.

The Applicant has discretion of when to buy and sell securities for the direct investment funds and discretion to select a broker to execute sales of any publicly traded companies in the direct investment funds. In selecting brokers to effect securities transactions, the Applicant seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability and experience in liquidating distributions from private equity funds and other such factors relevant and beneficial to the funds.

Response to Item 13.A

As described in the response to Item 8, the Applicant is affiliated with Piper Jaffray & Co., which provides investment banking, equity research and trading services to its clients. Piper Jaffray Private Capital associated personnel are employees of Piper Jaffray & Co. They devote their full-time to managing alternative investment vehicles for investors. Piper Jaffray & Co. also provides the Applicant with various other resources and services, including office space and information technology, compliance, human resources, trading, legal and accounting services.

In connection with investments (or proposed investments) made by certain funds, the Applicant and its affiliates may receive commitment, break-up, directors, consulting, monitoring and/or other transaction fees. In certain circumstances, a portion of such fees may be offset against the advisory fees charged to a fund. Investors are requested to refer to the offering or organizational documents of each of the funds for complete information on the calculation of advisory fees charged by a particular fund.

Response to Item 13.B

Applicant and affiliates of the Applicant have compensated, and will continue to compensate, unaffiliated placement agents or other third parties for introducing investors to a fund. All or a portion of fees payable to such persons in connection with solicitation activities may be borne by the fund (and therefore indirectly to the investors in the fund). The compensation payable for such introductions generally ranges up to 1.00% of the aggregate capital commitments of investors introduced to the Applicant, depending on the circumstances. The compensation may also be paid as a monthly fixed fee ranging up to \$15,000.

Also as noted in the response to Item 8 and as described in the response to Item 1, Applicant also may source certain clients from Piper Jaffray & Co. As indicated in Item 12 herein, the Applicant may also use Piper Jaffray & Co. as broker for the funds. The Applicant will not make commitments to any broker to compensate that broker through brokerage transactions for investor referrals; however, a potential conflict of interest may arise between a fund's interest in obtaining best price and execution and the Applicant's interest in receiving future referrals.

The Applicant is aware of the special considerations promulgated under Section 206(4)-3 of the Advisers Act. Accordingly, appropriate disclosure shall be made, all appropriate written instruments will be maintained by the Applicant, and all applicable federal and/or state laws will be observed in connection with solicitation activities.

Proxy Voting Policy

Because the Applicant may be deemed to have authority to vote proxies related to securities held by a fund, the Applicant has adopted a set of policies and procedures (the "Voting Policy") in accordance with Rule 206(4)-6 of the Advisers Act. To the extent the Applicant exercises or is deemed to be exercising voting authority over fund securities, the Applicant's general policy is to vote proxies in a manner consistent with the best interests of the fund. The Voting Policy generally describes the approach the Applicant takes when reviewing each proposal submitted for a vote and the information the Applicant takes into consideration when voting proxies. The

Voting Policy requires that the Applicant maintain appropriate voting records in connection with the voting of client securities.

The Voting Policy also provides that, in the event that the Applicant determines that a material conflict exists in connection with a vote, the Applicant will take steps to ensure that its voting decision is based on the best interests of the fund and is not a product of the conflict. To ensure that the best interest of the client are protected, the Applicant may elect to do any of the following: (a) seek the advice of the applicable Advisory Board or Committee in voting such security; (b) defer the voting recommendation of an independent third party provider of proxy voting services; or (c) take such other action in good faith which would serve the best interest of the client. Clients may obtain a copy of the Voting Policy or additional information regarding how the Applicant has voted client's securities by contacting the Applicant.