

PSG Capital, LLC

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This brochure provides information about the qualifications and business practices of PSG Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (646) 233-0435. 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 as an investment adviser with the SEC does not imply a certain level of skill or training of PSG Capital, LLC or its personnel.

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

Item 2. Material Changes

This is PSG Capital, LLC's initial brochure to be filed with the SEC; as such, there are no material changes to report at this time.

Item 3. Table of Contents

Item 1. Cover Page	1
Item 2. Material Changes	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	4
Item 6. Performance-Based Fees and Side-by-Side Management	5
Item 7. Types of Clients.....	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9. Disciplinary Information	10
Item 10. Other Financial Industry Activities and Affiliations	10
Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading.....	10
Item 12. Brokerage Practices	11
Item 13. Review of Accounts	13
Item 14. Client Referrals and Other Compensation.....	13
Item 15. Custody	13
Item 16. Investment Discretion	14
Item 17. Voting Client Securities.....	14
Item 18. Financial Information.....	14

Item 4. Advisory Business

PSG Capital, LLC (“PSG or the “Firm”), a limited liability company organized in the state of Delaware, commenced operations in May 2017. PSG is principally owned and controlled by Simon Goodman and Paul Salama-Caro.

PSG provides discretionary investment advisory services to private funds (the “Funds”) and separately managed accounts (the “Managed Accounts”). Unless clearly suggested otherwise, the Funds and Managed Accounts are collectively referred to herein as the “Clients”.

PSG does not tailor its services to the individual Fund investors or provide investors with the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions. PSG may contract with Managed Account clients to adhere to limited risk and/or operating guidelines imposed by that client. PSG negotiates such arrangements on a case-by-case basis.

PSG does not participate in wrap fee programs.

As of May 31, 2018, PSG managed approximately \$15,000,000 of regulatory assets on a discretionary basis.

Item 5. Fees and Compensation

PSG’s fees and compensation are described in the advisory contracts with its Clients.

Management fees are generally paid by the Funds monthly in arrears. Depending on the Share Class the annual management fee may be up to 1.75% of the net asset value of the respective Class prior to the deduction of any performance based fees. PSG has the right to negotiate or waive the management fee in its sole discretion.

Expenses charged to the Funds include, but are not limited to, the costs and expenses incurred in its operation, including, without limitation, taxes, expenses for administration, legal, auditing and consulting services, the preparation of investor tax reporting in respect of the Company and other investor reporting, promotional activities, registration fees and other expenses due to supervising authorities, including the cost of any regulatory reporting required in respect of the Company, insurance, interest, listing costs, the cost of the publication of the net asset value and all other payments and other fees and expenses incurred in connection therewith.

Expenses charged to the Managed Account include, but are not limited to, trading expenses, brokerage commissions and other transaction charges, fees and expenses incurred in the borrowing and lending of securities, interest, margin expense and other financing charges charged to the account attributable to the acquisition of securities by the account, custodial fees, bank service fees, transfer taxes, withholding taxes, and other fees and expenses directly related to the purchase, sale or other disposition of the Managed Account assets.

Generally, PSG or its affiliates receive performance-based fees from Client accounts on an annual basis in arrears and upon redemptions by Fund investors.

PSG may also allocate a portion of certain Clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, Clients will indirectly incur similar fees and expenses if PSG invests their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

Please refer to the Client's advisory contracts or offering documents for further information regarding the fees and expenses of PSG and its Clients.

Neither PSG nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees and Side-by-Side Management

PSG or its affiliates receive performance-based fee from Clients, which will be based on a percentage of capital appreciation of their assets.

PSG is entitled to receive a performance fee up to 20% per annum depending on the Share Class of the Funds or Strategy for the Managed Account, in each case of the increase in the net asset value per account.

The terms of the performance-based compensation may differ among the Clients. This may result in a conflict of interest when allocating opportunities among Clients, as PSG may have an incentive to favor Clients that have higher performance-based compensation. To avoid such a conflict of interest, PSG will generally follow documented procedures for allocating opportunities among Clients, which will not take into account the performance-based compensation to which such accounts are subject (see below).

As management fees and performance-based compensation will be based directly on Clients' net asset values, PSG may have a conflict of interest in valuing the assets held in Client accounts. PSG will follow documented valuation policies and consult with each Client's third-party administrator, as applicable, in order to mitigate this risk.

PSG may buy or sell securities for one Client account at the same time that PSG buys or sells the same security for one or more other Client accounts. This will typically happen when more than one Client account is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account.

It is PSG's general policy to trade the portfolios of all Clients on a *pari passu* basis based on relative capital. However, allocations may be made on a basis other than *pro rata* for a number of reasons, including, but not limited to, a Client's investment guidelines and restrictions, available cash, liquidity requirements, tax or legal reasons, to avoid odd lots, or in cases in which such an allocation would result in a *de minimis* allocation to a Client. PSG is not obligated to purchase or sell for each Client every security which PSG may purchase or sell for other Clients if such a transaction or investment appears unsuitable, impractical or undesirable for a Client; provided that PSG, to the extent within its control, may not favor itself in any way to a Client's detriment and will act in a manner that over the long term is fair and equitable to all of its Clients.

New issues (as defined by Rule 5130 of the Financial Industry Regulatory Authority, Inc.) are allocated to Client accounts in accordance with the criteria set forth above.

Item 7. Types of Clients

PSG provides investment advice to the Clients as defined in Item 4 above. Investors in the Funds are generally institutional investors and high net worth individuals that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act). The minimum initial investment in the Funds is generally \$1 million, subject to PSG’s discretion to accept lesser amounts.

PSG will determine the minimum investment for a Managed Account on a case-by-case basis.

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

The investment objective of PSG is to deliver consistent, risk-adjusted absolute returns with low correlation to public securities markets. PSG will allocate Client capital to one or more separate portfolios pursuing different absolute return strategies which will be managed by investment teams of PSG comprising one or more individual portfolio managers (each a “Sub-Strategy”). PSG will seek to follow a multi-strategy investment process with maximum flexibility as to investments and geographical exposure. Capital will be allocated between the Sub-Strategies at the sole discretion of PSG.

PSG will consider the perceived risk and potential return of each investment, each Sub-Strategy and of the entire portfolio when allocating Client capital with a view of seeking to maximize the performance of Client accounts while maintaining the overall volatility and risk of Clients at levels which it considers to be acceptable.

PSG intends to invest in predominantly liquid instruments that will include (but are not restricted to) equities, fixed income, foreign exchange, commodities and credit (and derivative instruments thereon).

There can be no assurance that PSG will achieve its investment objectives.

Related Risks:

Risk of Loss

PSG’s investment strategy involves significant risks. A discussion of certain material risks is provided below. For a more complete list of expected risk factors, prospective Fund investors are urged to review each Fund’s offering documents.

Market Risks. The profitability of a significant portion of the Clients’ investment program depends to a great extent upon PSG’s ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that PSG will be able to predict accurately these price movements. Although PSG may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some degree of market risk.

Dependence on Key Management Personnel. The success of PSG's Clients will be highly dependent on the financial and managerial expertise and skill of PSG's team of investment professionals, including the Managing Members. There is no assurance that the Managing Members or other key members of management of PSG will continue to be employed by PSG for any period. The loss of one or more key individuals of PSG could have a material adverse effect on the performance of the Clients.

Nature of Investments. PSG has broad discretion in making Client investments. Investments generally will consist of global equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that PSG will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, and the prospects of particular companies selected by PSG for investment, may significantly affect the results of the Clients' activities and the value of their investments. In addition, the value of each Client's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Clients' investment objectives will be achieved.

Fixed Income Securities. A Client may invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

Additionally, a Client may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. A Client may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Client would therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

Short Sales. Short selling, or the sale of securities not owned by a Client, necessarily involves certain additional risks. Such transactions could expose Clients to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. There is the risk that the securities borrowed by a Client in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Client might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Non-U.S. Securities. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain

considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, greater difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks. Client investments that are denominated in non-U.S. currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. From time to time, PSG may try to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective.

Small to Medium Cap Stocks. PSG may invest in the stocks of companies with small to medium sized market capitalizations. While PSG believes these companies often provide significant potential for appreciation, such companies, particularly smaller capitalization companies, involve higher risks in some respects than do investments in larger companies. For example, prices of such securities are often more volatile than prices of large capitalization securities. In addition, due to thin trading in some such securities, an investment in these securities may be more illiquid than that of larger capitalization securities. Moreover, such companies may lack management depth or the ability to generate the funds necessary for growth.

Leverage. While the use of certain forms of leverage, including margin borrowing, structured products or derivative instruments, can substantially improve the return on invested capital, such use may also increase the adverse impact to which a Client's portfolio may be subject.

Clients will generally obtain their borrowings from securities brokers and dealers and typically will secure those borrowings with their securities and other assets. Under certain circumstances, a broker-dealer providing financing to a Client may demand an increase in the collateral that secures the Client's obligations and if the Client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy a Client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Client's profitability.

Depending on conditions in the credit environment at any given time, PSG may find it difficult or impossible to obtain leverage for a Client, thereby making it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in PSG being forced to unwind positions quickly and at prices below what PSG deems to be fair value for the positions.

Options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other asset for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying asset will not change price in the manner

expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying asset rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Commodities and Futures Contracts. Futures markets are highly volatile. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and a Client may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the funds to substantial losses. Investing in futures contracts, options or commodities is a highly specialized investment activity entailing greater than ordinary investment risks.

Counterparty Risk. To the extent that a Client invests in swaps, “synthetic” or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Client takes the risk of nonperformance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Hedging Transactions. Each Client may utilize financial instruments, both for investment purposes and for risk management purposes: (i) in order to protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) in order to protect the Client’s unrealized gains in the value of its investment portfolio, (iii) in order to facilitate the sale of any such investments, (iv) in order to enhance or preserve returns, spreads or gains on any investment in the Client’s portfolio, (v) in order to hedge the interest rate or currency exchange rate on any of the Client’s liabilities or assets, (vi) in order to protect against any increase in the price of any securities the Client anticipates purchasing at a later date or (vii) for any other reason that PSG deems appropriate.

The success of the hedging strategy of each Client will be subject to PSG’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Client’s hedging strategy will also be subject to PSG’s ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While Clients may enter into hedging transactions to seek to reduce risk, they will not be required to do so. In addition, to the extent hedging transactions are used, such transactions may result in a poorer overall performance for a Client than if it had not engaged in any such hedging transactions. For a variety of reasons (e.g., cost and probability of occurrence of risk), PSG may not hedge against particular risks or may not establish a perfect correlation between such hedging instruments and the portfolio holdings

being hedged. An imperfect correlation may prevent a Client from achieving the intended hedge, and failure to hedge or an imperfect hedge may expose a Client to risk of loss.

Cybersecurity and Systems Risks. PSG relies on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with the Fund's investment activities. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing," each of which could result in a loss to the Fund.

PSG's operations are dependent on each of these systems and the successful operation of such systems is often out of the Firm's control. Any such defect, failure or breach could have a material adverse effect on the Fund, the Firm and their affiliates. Cybersecurity breaches may cause (i) disruptions and impact business operations, potentially resulting in financial losses to the Fund; (ii) the inability of the Firm and other service providers to transact business; (iii) violations of applicable privacy and other laws; (iv) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as (v) the inadvertent release of confidential or sensitive information.

Item 9. Disciplinary Information

There have been no legal or disciplinary events to disclose that are material to an investor's or prospective investor's evaluation of PSG's advisory business or integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Neither PSG nor its affiliates are registered nor have an application pending to register as a broker-dealer. Further, neither PSG nor its affiliates are registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the forgoing entities.

PSG and its affiliates will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, PSG personnel may work on other projects, Funds, and therefore, conflicts may arise in the allocation of the personnel. Any such conflicts would be made in accordance with the Operative Documents of the Funds.

Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, PSG adopted a Code of Ethics (referred to in this brochure as the "Code") to ensure that PSG fulfills its role as a fiduciary to the Clients. The interests of the Clients must always be recognized, respected, and have precedence over PSG employees. The Code requires that PSG employees and certain associated persons act in the best interests of the Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. PSG employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by PSG or its employees. In addition,

the Code sets forth formal policies and procedures with respect to the personal securities trading activities of PSG's personnel. The Code requires that personnel pre-clear certain public and private personal securities transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis and submit reports to PSG regarding personal accounts and reportable securities holdings at least annually. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Employees are required to provide a written certification to PSG as to agreeing to comply with the Code upon hire, and their ongoing compliance annually thereafter. Copies of this Code may be requested by contacting PSG's Chief Compliance Officer, at (949) 342-8000.

Neither PSG nor any of its related persons recommend that any Fund acquire or sell securities in which PSG or any related person has a material financial interest.

As a matter of general practice, neither PSG nor any of its related persons acquire or sell securities that are also recommended to Clients. However, related persons may invest directly into the Funds.

Other Potential Conflicts of Interest. Neither PSG nor any of PSG's related persons are required to devote their entire time and attention to the affairs of any one of the Clients.

Item 12. Brokerage Practices

Selection of Brokers

In placing portfolio transactions for Clients, PSG seeks to obtain the best execution for Clients' accounts, which may take into account a number of the following factors, among others: price, timeliness of execution, the availability of financing, the financial stability and reputation of a broker, the value of research, brokerage and other services provided, the responsiveness of a broker-dealer, a broker-dealer's financial resources, counterparty credit risk, and access to liquidity for certain less liquid products.

PSG has established an Operating Committee that periodically meets to discuss, among other things, the execution performance of the broker-dealers PSG uses to execute Client transactions. The committee also reviews commissions paid to brokers, soft dollar arrangements (if any) and conflicts of interest. The Operating Committee also periodically reviews PSG's Approved Broker List to ensure that it remains accurate. Additionally, on a quarterly basis, the Operating Committee will review PSG's commission runs versus the attributes of each broker.

Research and Other Soft Dollar Benefits

PSG may enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements would pose a conflict of interest for PSG in that such arrangements would allow PSG to pay with Client commissions expenses that would otherwise be borne by PSG. If PSG uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. PSG may have an incentive to select a

broker based on PSG's interest in receiving the research or other products or services offered by such broker, rather than on Clients' interests in receiving most favorable execution.

To the extent that it engages in soft dollar transactions, PSG will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising its discretionary authority to select or arrange for the selection of brokers for execution of transactions for Clients, and, subject to its duty to obtain best execution, PSG may consider the value of research and brokerage products and services provided by such brokers. Research may include, among other things, proprietary research from brokers, which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if PSG determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all Clients and not exclusively in connection with the management of the Clients that generated the particular soft dollar credits.

Where a product or service obtained with Client commission dollars provides both research and non-research assistance to PSG, PSG will make a reasonable allocation of the cost which may be paid for with Client commission dollars.

PSG executes securities transactions on behalf of Clients with broker-dealers that provide PSG with access to proprietary research reports (such as standard investment research and credit reports). To PSG's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to PSG on an unsolicited basis and without regard to the rates of commissions charged or paid by Clients or the volume of business that PSG directs to such broker-dealers.

Brokerage for Client Referrals

Subject to applicable law, PSG may direct some client brokerage business to brokers that refer prospective investors to Clients, consistent with best execution. Because such referrals, if any, are likely to benefit PSG but will provide an insignificant (if any) benefit to its Clients, PSG has a conflict of interest with its Clients when allocating Client brokerage business to a broker that has referred investors to PSG. To prevent Client brokerage commissions from being used to pay investor referral fees, PSG will not allocate Client brokerage business to a referring broker unless it determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the Client account.

Aggregation of Orders

PSG will generally aggregate orders for the same security unless aggregation is not consistent with its duty to seek best execution and the terms of the investment guidelines and restrictions of each Client for which trades are being aggregated. Aggregation opportunities for PSG would generally arise when more than one Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. When aggregating trades, no Client will be favored over any other Client. Each Client that participates in an aggregated order will participate at the average price for all of PSG's transactions in that security on a given business day, with transaction costs shared pro rata based on each Client's participation in the transaction.

Item 13. Review of Accounts

PSG's investment professionals continually review and monitor the Clients' investments. PSG's investment professionals routinely meet to discuss investment management activities as well as potential new investment opportunities. PSG's investment committee convenes as and when necessary to consider and approve new investment opportunities and material investment decisions regarding the Clients' existing investments, including dispositions and refinancing.

More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios, including changes in the financial markets and activity and trends in the political or economic environment.

Within 120 days after each Fund's fiscal year-end audited financial statements are prepared by an independent accountant pursuant to U.S. Generally Accepted Accounting Principles ("GAAP") and are distributed to each investor in the Funds (see Item 15). The Firm also seeks to provide unaudited performance information for the Managed Account and Fund investors quarterly. PSG may also distribute certain other reports to Clients upon specific request from time to time.

Item 14. Client Referrals and Other Compensation

PSG does not receive economic benefits as a result of investment advice or advisory services provided by PSG to the Clients, other than from the Clients.

from time to time, PSG may compensate one or more placement agents for referrals of Fund investors or managed accounts. Investors and prospective managed account clients will not incur a higher fee as a result of this referral relationship.

Item 15. Custody

For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Custody Rule"), PSG is deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their respective investors as long as (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting

principles, and (iii) PSG delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

The Managed Accounts receive account statements no less frequently than quarterly from the custodians of such accounts. Clients should carefully review these statements that are received from the custodians of such accounts.

Item 16. Investment Discretion

PSG has discretionary authority to manage securities accounts on behalf of the Clients. The investors in the Funds generally do not have the ability to place any limits on PSG's authority beyond the limitations set forth in the governing documents and/or offering documents of the applicable Fund. On a case-by-case basis, owners of the Managed Accounts may negotiate certain risk and/or operating guidelines to which PSG adheres when exercising its discretionary authority over such accounts.

Item 17. Voting Client Securities

PSG has established proxy voting policies and procedures (a "Proxy Voting Policy") designed to ensure that proxies are voted in the best interest of the Clients.

The Proxy Voting Policy requires PSG, when voting proxies, to follow procedures designed to identify and address material conflicts that may arise between its interests and those of its Clients. Accordingly, prior to voting any proxy, the CCO will determine whether a material conflict of interest exists and will either resolve the conflict or refer proxy vote to an outside service provider for its independent consideration.

In the absence of a material conflict, PSG will seek to act solely in the best interests of its Clients. PSG determines whether and how to vote proxies on a case-by-case basis. In making such determination, PSG: (i) will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the relevant Client, (ii) will vote in a manner that it believes is consistent with the relevant Client's stated objectives, (iii) will generally vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless PSG has a particular reason to vote to the contrary, and (iv) may not vote at all to the extent the outcome of the vote or action does not have a material impact on the issuer or value of its securities.

Upon the request by a Client, PSG will disclose to such Client how it voted securities owned by such Client. Clients may also contact PSG via e-mail or telephone to request a copy of its Proxy Voting Policy.

Item 18. Financial Information

PSG does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

PSG is not aware of any financial conditions that would be reasonably likely to impair PSG's ability to meet contractual commitments to the Clients.

PSG has not been the subject of a bankruptcy petition at any time during the past ten years.