

**Standard Life Investments (Private Capital) Ltd. (“SLI(PC)”)**  
**1 George Street, Edinburgh, EH2 2LL**  
**United Kingdom**

**October 22, 2018**

This brochure provides information about the qualifications and business practices of Standard Life Investments (Private Capital) Ltd. If you have questions about the contents of this brochure, please contact us at +44 131 246 6071 (UK) or +001 617 720 7900 (US)

The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority.

Additional information about SLI(PC) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

SLI(PC) is registered with the SEC as an Investment Adviser. Registration as an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provides you with information which may help you determine whether to hire or retain an adviser.

**Item #2: Statement of Material Changes**

Item #4 Advisory Business: Assets Under Management were updated to reflect a US investor.

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## **Item #4: Advisory Business**

### **Our Firm**

(“SLI(PC)”, “the Manager”) is a wholly-owned subsidiary of Standard Life Investments Limited (“SLIL”), SLIL is wholly owned by Standard Life Aberdeen plc (“SLA plc”), an insurance and financial service firm based in Edinburgh, Scotland, traded on the London Stock Exchange (LSE: SLA). SLI(PC) authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom.

In addition to SLI(PC), Standard Life Investments (USA) Limited and Standard Life Investments (Corporate Funds) Limited are wholly owned by SLIL and are registered as investment advisers with the Securities and Exchange Commission (the “SEC”). Aberdeen Asset Management PLC (“Aberdeen PLC”) is a wholly owned subsidiary of SLA plc. Aberdeen Asset Management Inc. (“AAMI”), Aberdeen Asset Management Asia Ltd., Aberdeen Asset Management Ltd., and Aberdeen Asset Managers Ltd. are all wholly owned subsidiaries of Aberdeen PLC., and Aberdeen Capital Management LLC, is a wholly owned subsidiary of AAMI, and are registered as investment advisers the SEC. In rendering investment advisory services, SLI(PC) may share resources, including personnel and facilities, and research information. SLI(PC) may also use the resources of other SLA plc subsidiaries. SLI(PC) and subsidiaries of SLA PLC may enter into a Memorandum of Understanding (“MOU”) so that we may share personnel, research and other resources, pursuant to the terms of the agreement.

### **Advisory Services**

SLI(PC) provides both discretionary and non-discretionary investment management services for its clients. SLI(PC) intends to act as an “Investment Manager” (as defined in Section 3(38) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) with respect to certain clients.

SLI(PC) may provide investment management services to:

- Limited partnership vehicles (“LP’s” or “ the Fund” or “ Funds”) – pooled vehicles/Funds and segregated mandates.
- Certain non-US clients on a non-discretionary /advisory basis.

The limited partners of the Funds may include U.S. and non-U.S. investors. The U.S. limited partners are “Qualified Purchasers” as that term is defined under the U.S. Investment Company Act of 1940 or “Accredited Investors” as defined under the U.S. Investment Advisers Act of 1940.

In providing investment management services to the Funds SLI(PC) makes investment decisions on behalf of those vehicles. The investment strategy is stated in the legal documentation of each LP. The investment opportunities that SLI(PC) considers include the following:

- Private equity fund investments (primary and secondary) primarily in Europe and North America
- Selective co-investments alongside SLI(PC) chosen managers in private companies primarily in Europe and North America
- Infrastructure investments, primarily in co-investments and secondary fund investments
- Strategic Credit investments,(primary and secondary) primarily in Europe and North America

### **Tailoring Services to Client Needs**

SLI(PC)’s primary investment objective is to achieve a superior rate of return for its investors, either through capital appreciation, by making fund investments and, where applicable, co-investments, or for certain assets (e.g. Infrastructure) to generate a regular yield.

The investment strategy for each Fund is determined at the time of establishment. There is no opportunity for individual investors to impose client specific restrictions within the pooled vehicles.

#### **Wrap-Fee Programs**

SLI(PC) does not participate in wrap-fee programs.

#### **Assets Under Management**

As of September 30, 2018, SLI(PC) managed \$358,328,467 on a discretionary basis and \$ 0 on an advisory basis.

### **Item #5: Fees and Compensation**

#### **Compensation**

The basis of the management fees are described fully in the limited partnership agreements of each vehicle, copies of which are agreed with each limited partner prior to their admission as a limited partner. These amounts are paid by each fund quarterly in advance to the manager. These are calculated on a variety of bases depending upon the product, including (i) drawn/undrawn amounts (ii) amounts invested (iii) total commitment amount (iv) Net Asset Value. Fees for non-discretionary advisory mandates are agreed with the client and included in the advisory agreement.

#### **Other Fees**

Investors in the Funds will pay management fees as described as well as other administration expenses incurred by the Fund in accordance with the relevant legal documentation. These may include depository, custody, legal, accounting, and other relevant expenses.

SLI(PC) may receive transaction fees, abort fees or other investment related fees from actual or prospective portfolio companies. Any amount received will be for the account of SLI(PC), but will be credited against and reduce the management fees in accordance with the relevant Fund agreement.

When the Funds make commitments to underlying fund investments, management fees will be charged by underlying fund investments. These fees potentially impact the returns of SLI(PC)'s LP and ultimately returns to investors. This is inherent in a fund-of-funds structure in any asset class.

#### **Advance Payment of Fees**

As discussed, payment of the management fees is generally made quarterly in advance.

Due to the limitations on liquidity within LPs (as set out in each limited partnership agreement) there are no early redemption provisions for investors.

#### **Compensation for Sale of Securities**

The compensation of Supervised Persons of SLI(PC) is not based directly on the value of security transactions.

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

SLI(PC) is committed to ensuring alignment of interests with its investors. This can be demonstrated by the following arrangements, which show that SLI(PC) is committed to the success of each LP:

- SLI(PC), an affiliate, and certain of its executives, will generally commit at least 1% of the target fund size of certain Funds. No management fee is payable on the commitments from the executives, although they will meet certain other costs. In all other respects the executives invest on the same terms and at the same time as the investors.
- Senior investment, marketing and finance professionals within SLI(PC) participate in the carried interest arrangements in each of the LPs. The carried interest arrangements are detailed within the legal documentation for each vehicle.

In order to ensure the fair treatment of clients, SLI(PC) has a detailed policy for the allocation of investment opportunities (Allocation Principles) between Funds which may have a similar strategy. All investment allocations are approved internally by the Investment Committee(s). In addition, allocations of all investments (whether fund investments or co-investments) are reviewed by the independent Advisory Committee of each limited partnership vehicle and each Advisory Committee comprises a representative group of investors in that vehicle.

Please refer to Item 11 for information regarding how potential conflicts of interest are managed by SLI(PC).

## **Item #7: Types of Clients**

SLI(PC) manages assets on behalf of:

- Limited partnership vehicles (“LPs”)
- Certain non-US clients on a non-discretionary basis.

SLI(PC) has a global investor base, with the majority of investors in the Funds being pension funds. Other types of investors include insurance companies, banks, endowments and other qualified investors. The requirements for opening any account will vary depending on the type of product and type of client.

### **Privacy Policy**

We recognize and respect the privacy concerns of our customers. We are strongly committed to protecting the privacy of client information and will not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. In order to service your account and effect your transactions, we may provide your personal information to our affiliates and to financial service providers that assist us in servicing your account and have a need for such information, such as a broker-dealer, custodian or administrator. We may also provide client information to a third party in situations where clients have given us consent to do so, at the request of a regulator or where we are required to disclose the information by law or regulation. We require third-party service providers and financial institutions with which we have joint marketing arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information. We have adopted privacy policies and procedures that are designed to prevent the unauthorized disclosure and use of client non-public personal information.

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

## Methods of Analysis and Investment Strategies

SLI(PC) follows a systematic, disciplined investment process in which it will originate, analyse, execute, monitor and exit portfolio investments.

SLI(PC)'s due diligence process includes:

- Validation of the merits of the proposed investment, including market research on similar or competing investment opportunities and the overall environment and strategy.
- Quantitative evaluation of the fund manager's track record.
- Extensive reference checks on fund managers.
- Evaluation of the fund manager's team and processes.
- Assessment of the investment's projected returns, risk factors and proposed exit strategies.
- Review and negotiation of key investment terms and investment provisions in order to provide maximum investor protection and value.
- Review of the fund manager's approach to responsible investing and ESG issues
- Evaluation of any potential conflicts of interest.
- Legal and tax due diligence performed by external advisers.
- Review of the fund manager's processes for monitoring the performance of portfolio companies.

## Risks of Strategies

As with any investment, there is no guarantee that a portfolio will achieve its investment objective. Investing in securities involves risk of loss that clients should be prepared to bear. However, clients should be aware that not all of the risks listed below will pertain to every account as certain risks may only apply to certain strategies. It is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. Given the volume of new rules and regulations in the industry, we are continuously reviewing the application of our risks.

While we seek to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/Governing Documents,

Below is a summary of the material risks associated with significant strategies and methods of analysis. Not all possible risks are described below.. **Full descriptions of these risks are available within the specific fund documentation.**

**Business Continuity Risk** – We have adopted a business continuity plan to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The plan is designed to limit the impact on clients from any business interruption or disaster, including those related to third party service providers. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations and the regions in which our offices are located. While ASI and its service providers have established business continuity plans in the event of, and risk management systems to prevent, such incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified.

**Commitment Strategy Risks** – With respect to Private Equity Funds, SLI PC may expect certain funds in which it invests to draw down less capital than a client has committed to those funds. If the relevant related

person decides it is in the best interest of the client to fully deploy the total capital commitments of the client, such related person may make aggregate commitments to funds that exceed the aggregate capital commitments of the client. Although SLI PC and its affiliates will monitor cash flow projections closely, there can be no assurance that any client will be able to meet all of its commitments to the funds or otherwise successfully implement its commitment strategy. If a client is not able to meet all of its commitments to the funds, such client may be subject to penalties arising under the terms of its contractual commitments with respect to its investment in funds, including, without limitation, being required to sell its interest in a Private Equity Fund or forfeiting a portion of its investment in an investment fund. In such cases, the client's return from such fund could be materially lower than it would have been had the client been able to meet all of its commitments.

Competitive Investment Environment – The activity of identifying, completing and realizing venture capital, private equity and real assets investments is highly competitive and involves a high degree of uncertainty. We may, at times, be in competition with other funds and managers with similar investment objectives for the acquisition of the same targets.

Conflicts of Interest – Due to the structure of Aberdeen Standard Investments, it is possible that we may hold or trade the same securities and instruments as our underlying fund managers in which we or an affiliate invest. Additionally, we may utilize similar techniques and strategies as those adopted by our underlying fund managers. As a result, we may directly or indirectly compete with our underlying managers and investment vehicles on an “arm’s length” basis. In the event that knowledge of a conflict of interest does arise, we will endeavor to ensure that it is resolved fairly and at arm’s length.

Concentration Risk – The risk that if a portfolio concentrates its investments in issuers within the same country, state, industry or economic sector, an adverse economic, business or political development may affect the value of the portfolio’s investments more than if its investments were not so concentrated.

Counterparty Risk – A portfolio may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions.

Currency Risk – Fluctuations in currency exchange rates may negatively affect the value of your portfolio’s investments or reduce its returns.

Cyber Security Risk – SLI PC, like all companies, may be susceptible to operational and information security risks. Breaches in cyber security include, among other behaviours, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security failures or breaches of Aberdeen or its service providers or the issuers of securities in which SLI CP invest have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of SLI CP’s clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. SLI CP and its clients could be negatively impacted as a result.

Deterioration of Market Conditions – In the case of extreme and continued market disruptions, attractive investment returns may be adversely affected. Continued market disruption or deterioration of market conditions and uncertainty could result in decreases in the market values of existing or potential investments. Additionally, liquidity may be affected, resulting in the inability to sell or liquidate investments at favorable times or prices. These circumstances may adversely impact the ability to meet investment objectives.

Due Diligence Process – The due diligence process that we intend to undertake may not reveal all material facts or circumstances. Any due diligence process involves subjective analysis and there can be no assurance that this process will reveal all issues related to the potential allocation of assets to underlying fund managers.



Foreign (Non-U.S.) Risk – A portfolio’s investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. The prices of these securities may fluctuate more widely and may be less liquid due to adverse market, economic, political, regulatory or other factors.

General Partner Risk – Governing Documents often limit the circumstances under which a general partner, manager and their affiliates can be held liable to a fund. As a result, investors may have a more limited right of action in certain cases than they would otherwise have in the absence of this provision.

Insurance Risk – When owning or managing infrastructure assets, there are additional risks that might not present themselves as compared to traditional asset classes. While the assets may in some cases be insured, this is no way an insurance of investment or principal and there are various uninsured and/or uninsurable risks that are present (such as natural disaster) and therefore investment carries greater risk of loss.

Inside Information – From time to time, we may come into possession of material, non-public information concerning an entity in which an account has invested, or proposes to invest. Possession of that information may limit our ability to buy or sell securities of the entity on behalf of a client.

Interest Rate Risk – Changes in interest rates will affect the value of a portfolio’s investments in fixed income securities. When interest rates rise, the value of investments in fixed income securities tend to fall, and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Key Person Risk – Underlying funds are generally reliant on certain key investment personnel employed in managing assets. Termination, disability, death, or departure of key personnel could adversely affect the underlying fund and its performance.

Legal, Tax, and Regulatory Risk – Legal, tax and regulatory changes may occur in the future that may adversely affect investors. The effects of any future regulatory change are impossible to predict and could have substantial adverse effects on both investors and investment strategies.

Limited Capacity Opportunities – We manage assets for multiple portfolios that may from time to time have overlapping investment mandates. Where an investment opportunity is of limited capacity, a fair allocation process will be needed ensure each of the competing accounts is treated equitably over time in determining whether an account may participate and to what extent.

Liquidity Risk – In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price. This includes investors in funds that may lock them up, possibly for multiple years.

Management Risk – We will apply our investment techniques and risk analyses in making investment decisions for your portfolio, but there is no guarantee that our techniques will produce the intended results. For research or investment techniques that incorporate or rely upon quantitative models, there is no guarantee that these mathematical models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

Market Risk – The value of a portfolio’s assets will fluctuate along with the markets. The value of your investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Multi-Jurisdictional Investment – The investments we make may be subject to a variety of jurisdictions, each of which may have unique economic, political, social, cultural, business and labor environments, laws, regulations, accounting practices and business customs. These differences may be considerable and no single method of investment can be applied uniformly or be expected to produce uniform results.

Multiple Levels of Fees and Expense Risk – Fund of funds and multiple manager strategies will generally incur certain fees at two levels: the funds of funds vehicle and the underlying funds themselves. These fees potentially include both management and performance fees, which may increase the expense of the strategy, thus affecting investor returns. Additionally, investor returns may be adversely affected during periods in which there are overall portfolio losses due to the potential that performance fees may be earned by one or more of the underlying portfolio managers.

Operational Risk – A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. This risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Political and Economic Risk – Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal, fiscal, regulatory and/or market reforms.

Pricing Risk – If market conditions make it difficult to value some investments, we may internally value these investments using more subjective methods such as fair value pricing. In these cases, the value determined for an investment could differ from the value realized upon such investment's sale.

There are a number of assumptions and judgements applied in the valuation process, the most significant are applied by the underlying external manager. Reliance is placed on the expert judgement of the external manager and this is supported by a governance process internally, which manages due diligence and investment monitoring processes with the external managers. SLI(PC) has a robust quarterly process which reviews each underlying valuation and considers the basis for producing those valuations.

Repurchase Agreements Risk – In the instance that an underlying fund manager enters into a repurchase agreement for a security, there can be no guarantee that the transferee of the securities in the agreement will not default. Therefore, any investment of the sort bears the risk of default of the transferee.

Restrictions on Transfer and Illiquidity of Shares – The shares held in private funds and the underlying funds are generally not registered under any securities laws and, therefore, cannot be resold in a public market. Consequently, investors do not have the right to withdraw their investment other than in accordance with the prescribed redemption procedures of the underlying funds. These redemption procedures may be suspended due to certain circumstances that could further affect withdrawals. This potential illiquidity of shares could adversely affect NAV and result in delays in receiving redemptions. Investors may at times be restricted from redemption from certain of our private funds.

Tax Risk – Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisers to determine the potential tax-related consequences of investing.

Underlying Manager Risk – Private Equity Funds and clients will directly invest in portfolio funds managed by third-party managers that may or may not be affiliated with us and over which we do not exercise control. Therefore our funds will not have an active role in the day-to-day management of the underlying portfolio funds. Underlying managers may not be registered as investment advisers with the U.S. SEC and their funds may not be registered as investment companies. Moreover, our funds will generally not have an opportunity to evaluate the specific investments made by underlying funds. As a result, the return of our funds will depend in large part on the performance of these unrelated third-party managers.

Underlying funds in which our Private Equity Funds and clients invest are generally subject to the same risks disclosed elsewhere in this brochure.

## **Item #9: Disciplinary Information**

SLI(PC) has no disciplinary actions or proceedings to disclose.

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

We are committed to providing clients with service of the highest quality and we are guided by the principle that we act in the best interests of our clients. Nevertheless, there are circumstances where client interests conflict with our interests or the interests of other clients. Some of these conflicts of interest are inherent to our business. We have policies and procedures that are designed to ensure that we are always acting in the best interests of our clients.

Further to the merger completed in August 2017, Aberdeen Asset Management PLC (“Aberdeen PLC”) became a wholly-owned subsidiary of SLA plc. We are affiliated with various U.S.-registered investment advisers, broker-dealers and pooled investment vehicles, among other financial entities. We occasionally may engage in business activities with some or all of these companies, subject to our policies and procedures governing how we handle conflicts of interest. We may use our affiliates to provide other services to our clients to the extent permitted under applicable law.

### **Broker-Dealer and Registered Representatives**

SLI(PC)’s affiliate, Standard Life Investments (USA) Limited (“SLI(USA)”) has formed a wholly owned subsidiary, Standard Life Investments Securities, LLC (“SLIS”). SLIS is registered as a member of the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer.

SLIS is a “limited purpose” broker-dealer formed for the offering of products managed by SLI(PC) and our affiliated advisers.

SLIS has a potential conflict of interest in that the only products it offers are those of affiliated advisers. However, SLIS undertakes all reasonable efforts to ensure products are suitable for investors given applicable FINRA and Department of Labor requirements and an investment adviser’s fiduciary duty.

Aberdeen Fund Distributors LLC (“AFD”), a wholly owned subsidiary of Aberdeen Asset Management Inc (“AAMI”), is a limited-purpose broker-dealer which will similarly distribute products of affiliated advisors. There are no trades executed through AFD.

It is intended that certain of our management persons may become registered as representatives of AFD.

### **FCM, CPO, CTA**

SLI(CF) has registered under the U.S. Commodity Futures Trading Commission (“CFTC”) with the National Futures Association (“NFA”) as a Commodity Pooled Operator (“CPO”) and Commodity Trading Adviser (“CTA”).

SLI(USA) has also registered as a CTA.

### **Other Relationships or Arrangements**

SLI(PC) shares certain overhead and compliance resources with SL Capital and its ultimate parent, ASI. SLI(PC) believes that this relationship poses no material conflicts of interest to SLI(PC) clients. A subsidiary of Standard Life Aberdeen plc (and therefore an affiliate of SLI(PC)) is Standard Life Assurance Limited (“SLAL”), which undertakes activities in the U.K. and Canada which deem it to be an assurance company.

### Limited Partnerships or Similar Private Funds

SLI(PC) is wholly owned by SLIL. SLI(PC) serves as the investment manager for LPs. Related parties serve as general partner for these vehicles. From time to time, ASI may make investments into these LPs on the same terms as other investors.

Registered subsidiaries of Standard Life Aberdeen PLC also serve as investment adviser to certain private funds and provide investment management services to limited partnership vehicles with U.S. investors. These funds may be domiciled in the U.S., as in the case of a Delaware partnership, or outside the U.S., as in the case of a Cayman LTD.

### **Recommendation or Selection of Other Investment Advisers**

SLI(PC) does not receive any compensation from the managers of underlying private funds when recommending or selecting the underlying investments for the vehicles it manages.

### **Business Alliances**

Standard Life Aberdeen plc has entered into a business and capital alliance with Mitsubishi UFJ Trust and Banking Corporation (“MUTB”), a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. (“MUFG”), a Japanese banking institution listed on the Tokyo Stock Exchange. Under the terms of the business alliance, MUTB has agreed to promote certain of our products in the Japanese institutional marketplace. The agreement gives MUTB exclusive rights to distribute selected products to Japanese institutional investors. The products include emerging market equities, global equities, and global fixed income. It was announced February 23, 2018 that Mr. Akira Suzuki, formerly MUTB’s representative on the Standard Life Aberdeen plc Board of Directors, will be retiring from the company at the conclusion of the next annual general meeting.

On February 23, 2018, Standard Life Aberdeen plc announced a proposed sale of the heritage Standard Life insurance business to Phoenix Group Holdings (Phoenix Group”) and an expansion of the long-term strategic partnership between the two firms, historically entered into by Standard Life. Under the terms of the agreement, Standard Life Aberdeen and Phoenix Group have agreed to significantly enhance and expand their existing long-term strategic partnership whereby Standard Life Aberdeen continues as Phoenix Group’s long-term asset management partner for the business acquired by Phoenix Group and the existing arrangements between the parties under which Aberdeen Standard Investments manages £48 billion of assets for Phoenix Group have been extended. The Phoenix Group life companies have committed to review the investment management mandates not currently managed by Aberdeen Standard Investments, subject to normal commercial and governance constraints. On completion Standard Life Aberdeen will receive total consideration of £3.24bn, comprising cash consideration of £2.28bn and a shareholding of 19.99% in Phoenix Group.

## **Item #11 Code of Conduct, Participation or Interest in Client Trades and Personal Trading**

### **Code of Conduct**

SLI(PC) has adopted the ASI Global Code of Conduct and the ASI Addendum Code of Conduct (collectively called “the Code”).

The Code, which all ASI employees are required to adhere to, explains how ASI expects its people to behave and reflects the high standards which have characterised Standard Life Investments for over 180 years. The Code provides the principles for the conduct of investment business, laid down by the SEC and FCA. In addition, it provides clarity around our responsibilities to clients, government officials, competitors and communities we serve, and outlines important legal and ethical issues. The Code is available to current and prospective clients upon request. Supplemental to the Code, the following policies and/or procedures

are provided:

*Personal Trading Policy*

From time to time, directors, officers, employees or their related persons (collectively referred to as 'employees') of SLI(PC) may wish to engage directly or indirectly in a personal investment in securities. This process is governed by a personal trading policy and insider information procedure which all employees of SLI(PC) must adhere to. The Code requires that the compliance manager, Chief Compliance Officer, or a person so designated by the compliance manager or Chief Compliance Officer, review all reports submitted by employees pursuant to the Personal Trading Policy.

*Electronic Communication Policy*

SLI(PC) recognizes the need for security over the data held on company computer systems. As such, all employees are required to follow the guidelines within the Code, and are only permitted to use approved means of electronic communication which are fully described in the Electronic Communication Policy.

*Gifts & Entertainment Policy*

SLI(PC) requires that its employees do not offer or accept any gift, entertainment, or other financial or non-financial benefit which would cause, or appear to cause, a conflict with SLI(PC)s' fiduciary duties to its clients. Full details of restrictions and reporting requirements can be found in the Gifts & Entertainment Procedure.

*Political Contributions to Certain U.S. Political Campaigns*

Under Rule 206(4)-5 of the Investment Advisers Act of 1940, SLI(PC) employees are subject to restrictions on contributions to political campaigns in the United States. The Rule limits the political contributions (federal, state, and local) that investment advisers and certain current and prospective employees can make. In addition, allowable (exempted) contributions to U.S. political campaigns are subject to preapproval and reporting requirements. All SLI(PC) employees must receive preapproval prior to making political contributions. Full details of restrictions and reporting requirements can be found in the Political Donations within U.S. Procedure.

*Outside Business Activities*

All SLI(PC) employees are required to report those activities that they engage in outside of their employment with SLI(PC). In addition, employment by members of a household that pose a conflict are required to be reported by the SLI(PC) employee. All such activities are reviewed by the Risk and Compliance Team to determine the extent to which a conflict arises, or appears to arise, from the outside activity.

*Conflicts of Interest Policy & Conflicts of Interest Register*

A conflict of interest is defined as any situation where the interests of SLI(PC) and its subsidiaries, including its managers and employees, conflict with those of a client, where there is a conflict between one client of ASI and another or where there is a conflict between different strategies

SLI(PC) maintains a comprehensive Conflicts of Interest Register which details the conflicts arising from our business as well as the policies, controls, and reporting which has been implemented to mitigate those conflicts. The Conflicts of Interest Register is reviewed at least annually, and updated as needed. All SLI(PC) employees are responsible for the identification of conflicts of interest, and notifying the compliance manager, Chief Compliance Officer, or a person so designated by the compliance manager or Chief Compliance Officer, who will ensure the conflict is added to the Register. Full details pertaining to policy standards, procedures, responsibilities of employees, and escalation procedure can be found in the Conflicts of Interest Policy.

A complete copy of the Code is available upon request to the following:

Standard Life Investments (Private Capital) Ltd.  
ATTN: Compliance Department  
1 Beacon Street, 34th Floor

Boston, MA 02108

### **Securities Where SLI(PC) has a Material Financial Interest**

From time to time, SLI(PC) or its related persons may make investments in the LPs for which SLI(PC) serves as manager.

As referenced in Item 6, in order to ensure the fair treatment of clients, SLI(PC) has a detailed policy for the allocation of investment opportunities between vehicles which may have a similar strategy. All investment allocations are approved internally by the Investment Committee(s). In addition, allocations of all investments (whether fund investments or co-investments) are reviewed by the independent Advisory Committee of each limited partnership vehicle or the Board of Directors of SLPET, as appropriate. Each Advisory Committee comprises a representative group of investors from that vehicle.

### **Recommendation of Securities Held in Employee Accounts**

The potential conflicts arising from personal trading, and the policies adopted by SLI(PC) to mitigate those potential conflicts, are described above.

### **Investing in the Same/Similar Securities for Personal Accounts as Client Accounts**

The potential conflicts arising from personal trading, and the policies adopted by SLI(PC) to mitigate those potential conflicts, are described above in 11A.

SLI(PC) encounters conflicts of interest in the routine conduct of its business. Consistent with Conduct rules of the FCA and its fiduciary duties under U.S. regulations, SLI(PC) has implemented a robust suite of policies, procedures, controls, and reporting to manage these conflicts effectively. In addition to the conflicts indicated in other parts of the document, below are conflicts identified by SLI(PC) and the primary means by which they are mitigated.

### **Allocation of Investment Opportunities**

SLI(PC) considers investment opportunities (both fund and co-investments) which may be suitable for more than one of its clients. In addition, SLI(PC) may not be able to secure the target allocation for all clients. In such cases, there may be factors which could give rise to a potential conflict to favour one client over another. These may include: superior (i.e. higher) management or performance fees, existence of investors in the LP with which SLI(PC) or its partners, officer, or directors have a significant relationship.

As stated above in Item 6, SLI(PC) has a detailed policy for the allocation of investment opportunities between LPs which may have a similar strategy. All investment allocations are approved by SLI(PC)'s Investment Committee(s). In addition, allocations of all investments are reviewed by the Advisory Committee of each limited partnership vehicle and the Board of Directors of SLPET, as appropriate. Each Advisory Committee comprises a representative group of investors in that vehicle.

### **Affiliated General Partner**

Affiliates of SLI(PC) serve as the general partner for its limited partnerships. As such, SLI(PC) is in a position to influence decisions made by the general partner regarding the allocation of expenses (both regular and one time) in a way that could benefit SLI(PC), its partners, directors, or officers investing in the funds, or other investors with which SLI(PC) has a significant relationship.

In addition, SLI(PC) may be incentivised to influence the decision by the general partner in regards to service providers. For example, SLI(PC) may attempt to influence a decision in such a way that a related person is chosen to provide services to the Fund when a superior unrelated alternative exists

The allocation of expenses is codified within the constitutional documents of each partnership. All

investors in funds managed by SLI(PC) receive copies of the audited financial statements. The selection of service providers is governed by a robust procurement policy and only unrelated providers are considered for primary service roles, including administrator, auditor, and custodian.

## **Fee Structure**

### **Management Fees**

Management fees charged by SLI(PC) LPs are based on either commitments, amounts drawn from investors or on the current market value of investments. These arrangements are fully disclosed in the legal documents of each Fund.

Where management fees are based on the current market values of investments, this may incentivise SLI(PC) to artificially inflate the value of the Funds investments in order to report higher fund values and therefore allowing SLI(PC) to collect higher management fees. Similarly, SLI(PC) may have an incentive to allow the managers of the Funds in which it invests to artificially adjust valuations of those investments.

To mitigate this potential conflict, SLI(PC) has a detailed valuation policy, fundamentally based on the valuations received from the managers of the funds in which it invests. All investments are valued quarterly in accordance with the *International Private Equity and Venture Capital Valuation Guidelines* (“Guidelines”). The Guidelines establish a framework for measuring fair value and define fair value as the price that would be received upon selling an investment in an orderly transaction between willing market participants at the valuation date. Valuation involves regular and ongoing meetings with the managers of those funds to gain understanding of the underlying portfolio companies and the drivers of those values. Valuation of the fund’s investments are reviewed by the advisory committee for each fund and are considered during the audit of the financial statements.

The key controls employed by SLI(PC) in the valuation of its funds are also included in the scope of the Internal Controls Report (ISAE 3402).

Where management fees are based on amounts drawn from investors, a potential conflict may exist to make investments more quickly than might otherwise be optimal for the benefit of investors. However, SLI(PC)’s fee structures (including carried interest) are agreed with investors in the respective funds in order to provide alignment of interests over the life of the fund.

As discussed above, all investment opportunities are rigorously challenged by the Investment Committee(s) and will be reviewed by the advisory committee of the fund, which is comprised of representatives from investors in the fund.

### **Carried Interest**

The carried interest arrangements for all LP funds are driven by realised values, with carried interest only becoming payable once realised performance hurdles are achieved. No carried interest is payable based on valuation of unrealised valuations, removing any incentive for the manager to artificially inflate valuations for this purpose.

## **Funds Investing in other SLI(PC) Funds**

Where a SLI(PC) fund acquires an interest in a fund of funds vehicle managed by SLCapital, there is a conflict with regard to the appropriate use of capital, allocation opportunities with other vehicles and decisions around co-investment opportunities. These conflicts are mitigated by ensuring the opportunity fits within the investment policy of the fund, applying the standard allocation policy practices and the discretion that SLI(PC) has on offering co-investments. In addition, any opportunity of this nature would require Advisory Board consent to proceed.

## **Side Letter Agreements**

Side Letter Agreements (SLI(PC)) may enter into side letter arrangements with certain investors that provide such investors with different or preferential rights or terms). Such side letter provisions only relate to meet specific legal, regulatory or policy considerations of certain investors, in a way that is not considered to involve preferential treatment.

### **Litigation**

ASI could invoke legal proceedings against companies and their advisors that we have holdings in, who are ASI clients or in which ASI employees have interests in or with whom they are associated. ASI may choose not to pursue litigation where it would be appropriate, because we have other business relationships that could be harmed by pursuing litigation.

Conduct of all litigation is managed by SLI(PC) Legal and subject to appropriate governance.

### **Expenses**

SLI(PC) has an incentive to cause the private funds to pay expenses that SLI(PC) would typically have to pay. Furthermore, SLI(PC) may be conflicted in the choice of service providers due to other commercial incentives i.e. overpaying certain service providers to reward for other commercial businesses. There are various controls and processes in place to ensure expenses are paid and suppliers are chosen properly. The controls include:

- All expenses are adequately outlined in fund documentation,
- Private funds go through independent audits,
- Expenses are reviewed by the Risk & Compliance Team,
- Suppliers are chosen through the procurement process which is separate from the other SLI(PC) functions.

### **Engagement of common legal counsel**

Engagement of common legal counsel with other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Any such conflicts are identified at the commencement of a deal and action taken (which may include engagement of different legal counsel) to ensure such a conflict is appropriately managed.

## **Item #12 Brokerage Practices**

### **Broker Selection**

This is unlikely to be applicable to SLI(PC) due to the nature of the investments made by SLI(PC) on behalf of its clients.

The Funds hold either fund interests or private unlisted securities. Occasionally, the Funds may hold quoted securities following a public placing of an investee company. In such an event, a rigorous process will be followed to ensure no potential conflicts of interest arise.

### **Order Aggregation**

This is unlikely to be applicable to SLI(PC) due to the nature of the investments made by SLI(PC) on behalf of its clients.

The portfolios hold either fund interests or private unlisted securities. Occasionally, the LPs may hold quoted securities following a public placing of an investee company. In such an event, a rigorous process will be followed to ensure no potential conflicts of interest arise.



### **Item #13: Review of Accounts**

The investments held by each client are subject to continuous review by SLI(PC). This is undertaken through regular interaction with the fund managers, on-site visits, active representation on the advisory boards and attendance at all the formal annual/semi-annual meetings for the fund manager. SLI(PC) operates a 'point' and 'shadow' investment responsibility system so there is always someone who can attend and meaningfully contribute to all meetings with managers.

SLI(PC) provides (as a minimum) the following reports to all investors within the LPs:

- Quarterly capital statements
- Quarterly managers reports
- Annual audited financial statements

### **Item #14: Client Referrals, Other Compensation**

SLI(PC)'s affiliates may make cash pay cash payments to third-party solicitors for client referrals, and use unaffiliated placement agents to solicit clients. However, none of these agreements are currently in place to solicit on behalf of SLI(PC) or our Funds. SLI(PC) is currently not engaging the services of a placement agent. If these circumstances were to arise, any costs incurred are paid by SLI(PC).

### **Item #15: Custody**

SLI(PC) does not maintain physical custody of clients' assets and has appointed an independent custodian to safe-keep the assets (including cash) of each Fund. SLI(PC) may be deemed to have custody for certain Funds under the provisions of Rule 206(4)-2 under the Advisers Act because certain affiliates of SLI(PC) serve as General Partner. The assets held by the SLI(PC) funds are legal agreements and other indicia of ownership interests (e.g. LP documents).

The investments owned by the vehicle are held, where appropriate, by the independent appointed custodian and are reconciled regularly by SLI(PC).

### **Item #16: Investment Discretion**

SLI(PC) has investment discretion and/or makes investment recommendations over clients' accounts..

The investment strategy and any applicable restrictions for each Fund are stated in the legal documentation for that vehicle. All investments made by Funds are included in the quarterly reports which are sent to all investors.

### **Item #17: Voting Client Securities**

Due to the nature of the investments in the Funds, it is not expected that SLI(PC) would have instance to vote proxies on shares publicly offered. SLI(PC) would seek to vote in a manner consistent with the Funds best interests. The SLI(PC) team will generally support the voting recommendation of the relevant fund manager and would only vote against a resolution after using reasonable endeavours to seek responses from the relevant fund manager which address the underlying concern.

A copy of each proxy vote would be retained in the relevant legal file for that investment.

SLI(PC) will vote proxies in a manner consistent with its fiduciary duties as we as its duties under ERISA.

A copy of SLI(PC)'s proxy voting guidelines and records of votes cast will be provided on request to the following:

Standard Life Investments (Private Capital) Ltd.  
ATTN: Compliance Department  
1 Beacon Street, 34th Floor  
Boston, MA 02108

### **Item #18: Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about SLI(PC)'s financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. In addition, we have not been the subject of a bankruptcy proceeding.