

FORM ADV

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This brochure summarizes the qualifications and business practices of Seidler Kutsenda Management Company, LLC (“SKMC”). If you have questions about this brochure, please contact us at (213) 683-4622. Neither the Securities Exchange Commission (“SEC”) nor any state securities authority has approved or verified the information in this brochure.

Additional information about SKMC is also available on the SEC’s website at www.adviserinfo.sec.gov.

SKMC is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. Such registration does not mean the SEC endorses an investment adviser’s skill or expertise, or that an adviser has any particular level of competency or training.

ITEM 2
Material Changes

SKMC has modified its brochure by updating information and making various refinements, clarifications and corrections. SKMC believes none of these changes is material.

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ITEM 4

Advisory Business

Background

Peter Seidler, Robert Seidler and Eric Kutsenda established SKMC in 2003 to provide discretionary advisory services to private equity investment funds investing in lower middle-market companies. They and Matt Seidler own all of the equity interests in SKMC. While SKMC was formed in 2003, Peter and Robert Seidler started providing advisory services through a predecessor company in 1992.

Seidler Funds

SKMC provides advisory services primarily to the following investment funds (the “*Seidler Funds*”):

- Seidler Equity Partners III, L.P.,
- Seidler Equity Partners IV, L.P. (“*SEP IV*”),
- Seidler Equity Partners V, L.P. (“*SEP V*”), and
- Seidler Equity Partners VI, L.P. (“*SEP VI*”).

The Seidler Funds also include SEP IV California Co-Investment Fund, L.P., through which one SEP IV limited partner makes additional investments alongside SEP IV in portfolio companies with a significant California presence. SKMC previously managed Seidler Equity Partners, L.P. and Seidler Equity Partners II, L.P., both of which were dissolved in 2015. SKMC expects to wind up and dissolve SEP III in 2019.

The Seidler Funds are closed-end funds, without general withdrawal or transfer rights. They are not accepting additional investors.

Investors in the Seidler Funds include financial institutions, funds of funds, private foundations, universities, public and private pension funds and other entities.

Australia Fund

In 2017, SKMC formed Seidler Equity Australia I LP (the “*Australia Fund*” and, collectively with the Seidler Funds, the “*Funds*”). The Australia Fund is a private equity investment fund that invests primarily in Australian middle market companies using a strategy similar to that of the Seidler Funds. The Australia Fund may also invest in New Zealand middle market companies.

SKMC has also formed Seidler Australia I GP, LP (“*SA GP*”), an SKMC affiliate, to serve as the general partner of Australia Fund. A new wholly-owned SKMC subsidiary, SKMC Australia PTY LTD (“*SKMC Australia*” and, with SKMC, the “*Managers*”), is the Australia Fund’s investment manager. SKMC Australia is an investment adviser eligible to register with the SEC and relies on SKMC to file a single umbrella registration on its behalf. Both SA GP and SKMC Australia

operate under SKMC's control and supervision, and must comply with the Investment Advisers Act of 1940, the related regulations, and SKMC's Code of Ethics, Supervisory Procedures Manual and other applicable policies and procedures. The Australia Fund is an Australian incorporated limited partnership registered as a Venture Capital Limited Partnership with Innovation Australia under Australia's Venture Capital Act 2002.

Limited Partners in the Australia Fund include affiliates of an Australian sovereign wealth fund that holds a sizable majority of the limited partnership interests in the fund, SA GP and a separate investment vehicle controlled by SKMC and formed to allow Manager professionals and designated others to invest in the Australia Fund.

The Australia Fund has total commitments of A\$160 million.

Unlike the Seidler Funds, the Australia Fund will not have an advisory committee charged with approving or disapproving conflict transactions, and taking the other actions specified in the Seidler Fund limited partnership agreements. Instead, the Australia Fund majority investor will perform the conflict-approval function and have other rights and powers specified in the Australia Fund's limited partnership deed and related side letters.

Given the different geographic focus of SEP VI (the only Seidler Fund still making new platform investments) on the one hand, and the Australia Fund on the other, investments in Australian and New Zealand companies will not be deemed "Suitable" for SEP VI, within the meaning of its Amended and Restated Limited Partnership Agreement. Accordingly, while that agreement authorizes SEP VI to invest up to 10% of its commitments in entities outside the United States and Canada, including Australian and New Zealand entities, SEP VI will not use this authority to invest in such entities, and opportunities to invest in such entities will not be allocated between SEP VI and the Australia Fund. This position is reflected in the SEP VI Amended and Restated Limited Partnership Agreement.

Other Vehicles

The Managers also provide discretionary advisory services to co-investment vehicles formed to facilitate co-investments by Fund investors, parties related to SKMC and third parties ("**Co-Investment Vehicles**"). The Co-Investment Vehicles invest in portfolio companies alongside the Funds. In addition, alternative investment vehicles may be formed in connection with a Fund's investment operations, for legal, tax, regulatory or other reasons ("**Alternative Investment Vehicles**"). Alternative Investment Vehicles, Co-Investment Vehicles and any other investment funds or vehicles directly or indirectly sponsored or managed by SKMC in the future are collectively referred to as "**Other Vehicles**." The Funds and the Other Vehicles are collectively referred to in this brochure as "**Clients**."

Management Agreements

The Managers act as managers of the Funds under separate management services agreements. Under these agreements, each Manager has full discretionary investment authority within the relevant Fund's investment strategy, objectives and restrictions, as described in the Fund's governing agreement (limited partnership agreement in the case of each Seidler Fund and limited partnership deed in the case of the Australia Fund).

See the discussion of the Managers' investment strategy and philosophy in Item 8.

Investment Restrictions

See Item 16 for a summary of Fund investment restrictions. The Managers generally do not tailor their advisory services to the individual needs of investors. Some side letters with Fund investors have imposed additional restrictions on investing.

The Managers do not participate in any wrap fee programs.

Assets under Management

SKMC currently manages approximately \$1.8 billion of assets on a discretionary basis and no assets on a non-discretionary basis.

ITEM 5 Fees and Compensation

Management and Incentive Fees

Each Fund's Manager receives a Management Fee for services provided to the Fund, and its general partner (an SKMC affiliate) receives an Incentive Fee. During a Fund's investment period, the Management Fee is a percentage of the Fund's committed capital.

After a Fund's investment period, the Management Fee is based on invested capital (minus investments valued at zero, or fully "written off"). The Incentive Fee is a percentage of the profits earned on Fund investments. A Fund pays an Incentive Fee to its general partner only after limited partners receive a return of their invested capital plus a preferred return. The Managers or their affiliates also receive Management Fees and Incentive Fees from Other Vehicles. Incentive Fee payment terms, as well as any other fees paid to the Managers, are described in the governing agreements of the Funds and Other Vehicles.

For other Clients, the Client's investment management agreement, offering documents or governing agreements disclose fee information.

Management Fees, Incentive Fees, and other fees paid to the Managers and/or their affiliates are not generally negotiable on an investor-by-investor basis.

The Funds' governing agreements require that investors contribute capital to pay their *pro-rata* share of Management Fees when they receive a capital call. Capital call notices for Management Fees include information about the fees.

Management Fees are reduced by 100% of any break-up fees, transaction fees, advisory fees, consulting fees, management fees, director fees and other fees relating to actual or potential portfolio companies received by the Managers or their affiliates.

Each Management Agreement may be terminated when a Fund winds up or if a specified percentage of limited partners vote to remove the general partner or dissolve the Fund. Upon any such termination, the Manager would return the unearned portion of Management Fees actually paid.

Management Fee Conflicts

Because Management Fees payable after a Fund's investment period are based on invested capital (reduced by portfolio investments written off entirely), the Managers have an incentive to avoid total write-offs because they reduce the Management Fee. The Managers attempt to mitigate this potential conflict by adopting and following written valuation procedures, which require, among other features, independent valuation input. Item 6 discusses potential conflicts relating to Incentive Fees.

Expenses

General

The Funds generally bear all expenses relating to their operations, including: legal fees and expenses; accounting and consulting fees; out-of-pocket expenses of transactions not consummated; the costs of investigating and completing investments (except to the extent portfolio companies agree to pay all or part of such expenses); expenses associated with the holding, monitoring and disposition of investments; expenses relating to annual meetings, reports, tax returns and venture capital operating company certificates; insurance; litigation; travel expenses related to making or managing investments (as described below); and any other extraordinary expenses. The Managers bear their own overhead, operating and administrative expenses.

Certain Expense Allocations

The Managers and their personnel incur expenses (primarily related to travel, lodging and meals) in monitoring and assisting portfolio companies. In addition, the Managers' internal and external legal counsel, or other third-party professionals, may, at a Manager's request, provide services to a portfolio company (such as in connection with add-on acquisitions, the implementation of management incentive plans, or other matters). Generally, some or all of these expenses are allocated to the relevant portfolio company, to the extent the Chief Administrative Officer (who reviews all such expenses) determines in his discretion it is reasonable and practicable to do so under the circumstances. Where he determines it is in the overall best interests of the relevant Fund to bear all or part of such expenses, the Fund will pay or reimburse them. In making this determination, he considers all pertinent factors, including the circumstances, the nature and amount of the expenses, the overall relationship with the portfolio company managers, their indicated or perceived willingness to bear the expenses, and the portfolio company's ability to bear them.

In April of 2018, SKMC hosted a gathering of senior executives of several consumer-product portfolio companies in SEP IV, SEP V and SEP VI. The basic purposes of this event were to foster exchanges of ideas, strengthen the relationships between SKMC and the executives,

facilitate networking, and encourage participants to help support SKMC's business development efforts, especially with respect to SEP VI.

Portfolio company participants paid their own costs of travel to and from this event. The other costs of the event (including lodging, meals, the meeting venue and entertainment) were allocated evenly among SEP IV, SEP V and SEP VI. This allocation reflected SKMC's judgment that those funds benefited from the event in roughly equal measure. Because of the benefits to the participating portfolio companies, and these three funds, SKMC may hold similar events in the future.

Travel and Related Expenses

The Managers require that their personnel use good judgment and avoid excessive travel and other expenses. With respect to air travel, such personnel generally travel in coach class. Business or first class may be appropriate under certain circumstances, such as for international travel, long-haul domestic flights, flights that leave late at night, etc. With respect to accommodations and meals, Manager personnel normally frequent hotels and restaurants at the mid-point price range, but will stay at more expensive hotels or eat at more expensive restaurants when appropriate under the circumstances.

Discounts

Some portfolio companies occasionally offer products or services to Manager personnel at a discount. The Managers believe the overall value of these discounts is immaterial, does not affect the value of the underlying portfolio company, and does not influence portfolio management decisions.

ITEM 6

Performance-Based Fees and Side-by-Side Management

As discussed in Item 5, each Fund general partner is entitled to receive an Incentive Fee representing a percentage of the profits from aggregate portfolio investments, after limited partners receive a specified preferred return. Because the Incentive Fee is computed on an aggregate basis across the Fund's portfolio companies, realized losses reduce the Incentive Fee.

Incentive Fees may create an incentive for a Manager to make more speculative investments than they might otherwise make. Further, if a Manager served as investment manager to Clients (such as Other Vehicles or future funds) that were charged a higher Incentive Fee, the Manager could have an incentive to allocate investment opportunities to such Clients.

ITEM 7

Types of Clients

The Managers generally provide investment advice to private investment funds and Other Vehicles.

Each Seidler Fund’s governing agreement states the conditions for the admission of investors to the fund. Generally, these agreements establish a minimum investment of \$1 million for individuals and \$10 million for institutions, subject to waiver of those minimums in the general partner’s discretion. The Australia Fund has comparable minimum investment amounts.

Each Seidler Fund investor must generally meet certain suitability and net worth qualifications. For example, each such investor normally must be (i) an “accredited investor” as defined in Rule 501 of Regulation D under the Securities Act of 1933, (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act, or (iii) a “knowledgeable employee” as defined in Rule 3c-5 under that act.

Each Australia Fund investor must be a “sophisticated investor” (an investor that has a certificate from a qualified accountant stating it has net assets of A\$2.5 million and/or that its gross income for the past two financial years has been at least A\$250,000 a year) under section 708(8) of the Corporations Act Cth (2001) (“**Corporations Act**”) or a “professional investor” (an investor holding an Australian Financial Services License or that has or controls gross assets of A\$10,000,000 or more) under section 708(11) of the Corporations Act.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

The investment strategy for the Funds and related Other Vehicles is founded on the following principles:

- Generating “non-auction” deal flow through internal business development efforts, a proprietary database of private companies and relationships with third-party deal-flow sources.
- Investing in companies with an established set of desired characteristics.
- Aligning the financial interests of portfolio company management, the Manager investment team and the limited partners.
- Emphasizing conservative capital structures and “senior” equity securities (including preferred equity and convertible debt) to manage risk and generate returns primarily through growth as opposed to maximum financial leverage.
- Approaching transactions in a disciplined and patient manner, with significant capital appreciation as a primary goal.
- Serving as a value-added partner for portfolio companies through active board-level strategic planning and hands-on involvement in identifying, prioritizing and implementing key operational projects and initiatives.

Focus on Underserved Market

The Seidler Funds focus primarily on opportunities in the United States lower middle-market, generally defined as companies with revenue of \$25 million to \$250 million and EBITDA of \$5 million to \$30 million. The Seidler Funds are also entitled to invest without restriction in comparably-sized companies in Canada and, typically, up to 10% of Commitments in entities in other parts of the world.

The Australia Fund will primarily invest in companies in the Australian lower middle-market, defined as companies with revenue of A\$10 million to A\$100 million and EBITDA of A\$1 million to A\$20 million. The Australia Fund is also authorized to invest in New Zealand middle-market companies meeting similar criteria.

Businesses in these specialized niches can often realize substantial financial improvements by focusing on certain key business fundamentals, including:

- strategic planning,
- operational processes,
- working capital management,
- infrastructure development,
- financial systems,
- supply chain optimization,
- management team development,
- product and service pricing analytics,
- acquisition screening, and
- capital structure optimization.

Investment Philosophy

The Managers seek to achieve the objectives of Fund investors by generating top-tier investment performance, with manageable risk and reasonable predictability. To do this, they focus on:

- identifying investment opportunities,
- completing investments,
- optimizing the financial performance and strategic positioning of portfolio companies,
- developing attractive exit alternatives, and
- seeking to achieve exceptional returns for investors.

While the Seidler Funds generally target a four-year to six-year holding period for investments, SKMC measures each investment's prospects against the public equity and private acquisition

markets on an ongoing basis, with a focus on realization. The Australian Fund expects to target somewhat longer holding periods for some investments.

The Managers generally structure any investment-related debt financing for flexibility and growth, not high short-term leveraged returns.

The Managers believe optimal financial results are most likely to be achieved when the financial interests and incentives of a Fund, its Manager's investment team and its portfolio company management teams are directly aligned. This occurs when all parties have personal capital at risk and share in the upside potential and downside risk of the business. This alignment is fostered in several ways, including the following:

- Manager professionals make a substantial cash commitment to each Fund, to be invested alongside limited partners in all transactions;
- The Managers normally require that portfolio company owner-managers maintain a substantial ongoing ownership interest in the company;
- Key portfolio company managers generally are provided additional performance-based compensation designed to incentivize them to maximize value; and
- The risks and rewards of the general partners and Managers are linked with those of the limited partners by certain key fund economic features, including:
 - an offset of 100% of all consulting fees, advisory fees, directors' fees and any other transaction fees against Management Fees, and
 - a distribution "waterfall" that provides investors with a return of their invested capital plus a preferred return before the general partner receives any Incentive Fee.

The Funds usually have either a control position in their portfolio companies, or a minority position with protective rights.

Each Fund's private placement memorandum or information memorandum includes additional information about the fund's investment strategies and philosophies.

Investment Size

The Managers have not established a fixed minimum or maximum size of investment for any Fund. Instead, they determine appropriate size based on various factors, including the number, types and sizes of existing and anticipated investments; unfunded commitments; investment diversification requirements; the characteristics of a particular company (including projected growth trajectory); the portfolio management demands on Manager personnel; and similar factors. Because of the variability of these factors and the ways they interact, some otherwise attractive investments may be rejected as too small in one situation, while other investments of similar or even smaller size may be accepted in another situation. A Manager-affiliated party's investment in an opportunity a Manager declines for a Fund because of size or other considerations requires advisory committee (or equivalent) approval.

Risk of Loss

The Funds' investment strategies involve significant risk of loss. Each Fund's private placement memorandum or information memorandum describes investment risks in greater detail. The risks of other Client investments may be set out in the Client's constituent documents. The risks generally applicable to Clients and portfolio company investments include the following:

Risks Associated with Nature and Structure of Clients

- The investment strategy may not be successfully implemented.
- Investment diversification may be limited.
- Competition for attractive investments could restrict opportunities.
- Misjudgments by Manager professionals in identifying, negotiating, documenting and exiting investments could adversely affect investment returns.
- Projections used to make investment decisions may prove inaccurate because of erroneous assumptions or unforeseen events.
- Due diligence examinations may not uncover all actual or potential problems, and there may not be adequate recourse against portfolio companies or their owners.
- Investors may not realize returns from the final dispositions of a Client's investments for many years.
- Interests in Clients, and investments in portfolio companies, are essentially illiquid.
- Investors may be subject to adverse consequences if they do not respond to capital calls.
- Limited partners subscribing for interests after a portfolio company investment is made will dilute existing limited partner interests in those investments.
- Tax-exempt and non-U.S. investors in the Seidler Funds may be subject to unrelated business taxable income or income effectively connected with a United States trade or business.
- A Client's distributions for a tax year may be less than the investors' tax liability for their share of Client income for that year.
- Clients typically indemnify their general partners, managers and others for liabilities incurred in connection with Client affairs (subject to certain exceptions).
- A Client's exercise of control, management and/or protective rights could subject it to liability or restrict its activities.
- Changes in laws and regulations or interpretations or application of laws and regulations could adversely affect portfolio companies and the Managers.
- Investment valuations could prove inaccurate.
- Investors in a Client may have conflicting interests and concerns.

- On the sale of an investment, the Client may be required to indemnify the buyer for breaches of representations or covenants.
- Client assets are available to satisfy a Client's indemnification and other liabilities and obligations.
- Clients may distribute assets in kind under certain circumstances.
- Under certain circumstances, a Client may require that an investor withdraw from the Client, reduce its interest, or not participate in a portfolio company investment.
- Investors may have to return a portion of their distributions under certain circumstances.
- Some investors may be subject to laws or regulations requiring them to disclose confidential information regarding the Client publicly or to governmental authorities.
- Insider trading laws could prevent a Client from effecting otherwise desirable transactions.
- Legal counsel to the Managers or Clients do not represent investors.

Additional Risks Associated with Portfolio Companies

- Most portfolio companies face significant business and financial risks, including:
 - leverage
 - adverse changes in economic or market conditions
 - natural disasters
 - competition
 - unavailability of needed capital
 - terrorist activity
 - changing customer preferences
 - failures of suppliers to provide needed materials
 - war
 - legal proceedings
 - adverse changes in a particular industry
 - civil unrest
 - inflation
 - changes in laws and regulations and related interpretations
 - reliance on management
 - currency fluctuations (to the extent of operations outside their home countries)
- Portfolio company management may not perform as expected.
- Some portfolio companies face additional risks because of operations, facilities and/or other business associations outside their home countries.

Additional Risks Associated with the Australia Fund

- The operation of the Australia Fund represents a significant expansion by SKMC into a new geographical market with business, regulatory, tax, market, supplier and consumer characteristics different than those with which SKMC is familiar. Consequently, this expansion involves inherent risks to Australia Fund investors because of SKMC's lack of experience with the Australian market. SKMC Australia attempts to address these risks by, among other things, (i) an accelerated effort to learn as much as possible about those conditions, (ii) relying on local professional advisers (such as lawyers, accountants, banks, etc.), and (iii) hiring experienced Australian investment professionals to manage day-to-day SKMC Australia operations under SKMC's supervision. However, these attempts may not fully succeed.
- The Australian middle market is significantly smaller than the U.S. middle market, potentially making it more difficult to identify and make successful investments. Also, this smaller market size, coupled with a smaller population of financial and strategic buyers, may also make it relatively more difficult to exit investments on suitable terms or on a timely basis before the expiration of the Australia Fund's term, as extended.
- SKMC may have more difficulty than expected identifying, hiring and retaining qualified private equity investment professionals in Australia capable of implementing the Australia Fund's investment strategy.
- The Australia Fund will be exposed to political and economic risks peculiar to Australia.
- Because the Australia market is smaller than the U.S. market, the Australia Fund will have less geographic diversification than a fund that invests across the United States, and may be more susceptible to the adverse effects of localized developments.
- Although U.S. generally accepted accounting principles will be applied to the production of the Australia Fund's financial statements, accounting methods used by Australian and New Zealand portfolio companies differ from those in the United States. The differences could complicate both pre-closing diligence and post-closing valuations and monitoring.
- While the Australia Fund will make private equity investments, those investments could be adversely affected by fluctuations in the public equity markets in Australia, and by currency, inflation and interest rate fluctuations in Australia.
- Australia is susceptible to risks related to China, which is Australia's largest trading partner. Those risks include the possibility of trade disputes, China's territorial assertiveness and ambitions in the Asia Pacific region, and tensions with China over trade arrangements.

ITEM 9 Disciplinary Information

There are no legal or disciplinary events required to be disclosed under this Item 9.

ITEM 10

Other Financial Industry Activities and Affiliations

SKMC and related entities serve as general partners, managers and investment managers of various investment vehicles, including the Funds and Other Vehicles.

Conflicts Inherent in Private Equity Investing

Private equity investing entails certain inherent conflicts of interest. To mitigate some of these conflicts, the Seidler Funds' limited partnership agreements provide for advisory committees composed of limited partner representatives. These committees are charged with approving or disapproving specified transactions involving actual or potential conflicts of interest. However, limited partners not represented on a fund's advisory committee may disagree with the committee's decisions, but would have no means to prevent or modify the implementation of those decisions. SKMC and/or the Seidler Fund general partners may also seek advisory committee input on conflict-of-interest situations even when approval is not specifically required by law or agreement.

The Australia Fund does not have an advisory committee. Instead, the Australia Fund majority investors will serve as the functional equivalent of such a committee and will have the right to approve or disapprove transactions involving actual or potential conflicts of interest. Other Australia Fund limited partners might have interests or concerns that diverge from those of the Australia Fund majority investor, and may disagree with the Australia Fund majority investor's decisions, but would have no means to prevent or modify the implementation of those decisions.

The Managers seek to avoid unnecessary conflicts to the extent practicable, and to manage any unavoidable conflicts fairly and with their fiduciary obligations uppermost in mind.

The following paragraphs summarize some of the actual or potential conflict situations that may arise, besides those described in other Items of this Form ADV. The vast majority of such situations are mitigated by one or more of the following: (i) the requirement of advisory committee or, in the case of the Australia Fund, majority investor approval, under the relevant governing agreement; (ii) the opportunity to consult with the Seidler Fund advisory committee or Australia Fund majority investors even where approval is not specifically required by law or agreement; (iii) a disciplined and thoughtful approach to investment, exit and other decisions; (iv) the requirement in many cases of a written record of the rationale for decisions; (v) adherence to the SKMC Code of Ethics (which is discussed in Item 11 and which applies equally to SKMC Australia), and the culture of compliance it fosters; and (vi) policies and procedures that identify, monitor and mitigate conflicts of interest.

Multiple Clients

Certain inherent conflicts of interest arise from the facts that: (i) SKMC does, and SKMC Australia may, provide investment management services to more than one Client, and (ii) Clients may have overlapping investment objectives and investment periods. Also, some Clients' portfolio strategies

could conflict with the strategies of other current and future Clients, and may affect the prices and availability of the securities and other assets in which such Clients invest.

Where Clients have similar investment strategies, participation in specific investment opportunities may be appropriate for more than one Client that has available capital. For example, if a new fund begins operations while a predecessor fund still has unfunded capital commitments (as permitted under specified circumstances by the governing agreements of the two funds), investments may be allocated between the two funds. Any such allocations would require the approval of the advisory committees (or equivalent) of both funds. In allocating investment opportunities, a Manager may consider many factors, including those referred to in the relevant Fund's governing agreement and disclosure document, and may make non-*pro rata* allocations. Any differences in the substantive provisions of the two involved funds (including with respect to Management Fees and/or Incentive Fees) would heighten conflict concerns. However, even without any such differences, the Managers may still have incentives to allocate investments with their own economic or other interests in mind.

The launch of a new fund managed by a Manager or an affiliate may also generate other conflicts. For example, if an existing fund had a negative return on its investments and was not expected to generate an Incentive Fee, its Manager would be incentivized to allocate attractive investment opportunities to the new fund.

Dual Investments in Portfolio Companies

Where a Fund invests in a portfolio company in which another Fund has already invested (which is permissible with the approval of the advisory committees (or equivalent) of both Funds), ongoing conflicts may occur between the interests of the two investing Funds. For example, it may be preferable for one Fund to take an action that would not be in the other Fund's best interests, or not take an action that would be in the other Fund's best interests. Such conflicts would be exacerbated if one Fund held a security senior to a security held by the other Fund (particularly in a bankruptcy or other distressed situation). Where choices must be made, a Manager may have reasons of its own for favoring one course of action, or one investing entity, over the other because of differences in fees or other considerations.

General Partner Affiliate Transactions

A Fund may wish to invest in an entity in which an affiliate of its general partner has an existing interest, or sell an interest in such an entity. Because of the potential conflicts in such transactions, advisory committee consent (or equivalent) would normally be required.

General Partner Affiliate Purchase of Fund-Suitable Investments

During a Fund's investment or similar period, its Manager and affiliates generally must present to that Fund (rather than, for example, any new fund) all private investment opportunities suitable for the existing Fund (taking into account various suitability factors stated in the Fund's governing agreement), except (i) for investment opportunities the Manager or its affiliates present to a prior Fund to complete its investment program, and (ii) when the advisory committee (or equivalent) of

the relevant Fund reviews the potential opportunity and determines it need not be so presented. When such approval is obtained, and subject to the private investment pre-clearance requirements of SKMC's Code of Ethics, a Manager's affiliates may make their own investments that could otherwise be considered appropriate for, are held by, or may fall within the investment guidelines of, a Fund. These activities may adversely affect the prices and availability of other securities or instruments held by, or potentially considered for, one or more Clients. Potential conflicts also may arise because a Manager and its affiliates may have investments in some Clients but not in others or may have different levels of investments in various Clients, and Clients may pay different levels of fees.

As noted in Item 4 above under "Australia Fund", SEP VI, the only Seidler Fund currently making new platform investments, will not consider investments in Australia or New Zealand to be suitable. Therefore, investment opportunities in those countries will not be presented to SEP VI and need not be allocated between SEP VI and the Australia Fund.

Different Advice

A Manager may give advice or take action regarding the investments of one or more Clients that may not be given or taken for other Clients with similar investment objectives and strategies.

Board Participation

Conflicts of interest may arise because Manager investment professionals serve on portfolio company boards. In addition to the fiduciary duties those professionals owe to a Fund, they also owe fiduciary duties to other persons, including portfolio company owners. In general, such director positions are often important to a fund's investment strategy and normally enhance a Manager's ability to manage investments. However, such positions may impair the Manager's ability to sell the related securities when, and upon the terms, it may otherwise desire. In addition, such positions may require that a Manager make a decision that is either not in the fund's best interests or not in the best interests of the portfolio company's other owners. In the latter case, the decision may subject the Manager and the Fund to claims to which they would not otherwise be subject, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, a Fund's portfolio companies (on a primary basis) and the Fund (on a secondary basis) will indemnify its Manager and its investment professionals against such claims. In addition, because of potential conflicting fiduciary duties, a Manager may be restricted in choosing investments for a Fund, which could negatively impact its returns.

Roll-Forward Investments

When an investment is sold, portfolio company management and/or the purchaser may ask or require that a Fund or one or more Manager affiliates maintain a reduced direct or indirect position in the portfolio company. In such cases, the Manager will consider all relevant factors in deciding whether such a "roll-forward" investment is advisable and, if so, whether the Fund or some other entity should make it and how much should be invested. Such factors may include the desires of the purchaser and portfolio company management, the Fund's remaining term, the liquidity and other rights associated with the roll-forward investment, the Fund's need for liquidity, and any

potential conflicts of interests resulting from continued involvement with a portfolio company. Because of the potential conflicts of interest involved in roll-forward investments, advisory committee (or equivalent) approval may be required, or the Manager may determine in its discretion that advisory committee (or equivalent) input is desirable.

Co-Investment Allocations

A Manager may invite selected Fund limited partners, Manager friends-and-family investors or other third parties to invest in a portfolio company alongside a Fund. Such co-investments may be appropriate because, for example, the Fund cannot make the entire investment for one or more reasons, including the size of the investment in relation to the Fund's diversification requirements, the risk profile of the investment, the Fund's unfunded commitments, and/or other factors as determined by the Manager.

The Managers have the discretion to allocate co-investment opportunities. In doing so, they will consider all relevant facts and circumstances, including:

- investors that express interest in co-investing,
- the nature and size of the investment,
- the likely hold period relative to a Fund's investment period,
- the co-investor's experience or expertise,
- the willingness and ability of the co-investor to move quickly and efficiently to close the co-investment, and
- the perceived compatibility of the co-investor with the potential portfolio company and the relevant fund.

Allocations of co-investment opportunities could involve conflicts of interest. For example, a Manager may be inclined to favor one potential co-investor over another for the Manager's own benefit. In allocating co-investment opportunities, the Managers do not attempt to achieve equality of treatment among all investors that may be interested in co-investing.

Other Vehicles for Manager Personnel and Their Family and Friends

SKMC typically forms investment vehicles to permit Manager personnel and their family members and friends to invest in the Funds. These vehicles are limited partners in the Funds and normally pay Management Fees and Incentive Fees to the Managers and/or their affiliates on the same basis as the unrelated investors. However, the family-and-friends vehicle for the Australia Fund will not pay an Incentive Fee to that Fund.

ITEM 11

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

Code of Ethics

SKMC has adopted a Code of Ethics designed to ensure compliance with Rule 204A-1 under the Advisers Act. This code applies to both SKMC and SKMC Australia, and to all members, principals, managers, officers, employees and supervised persons of each Manager (each a “**Covered Person**”). The Managers strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, the code incorporates the following general principles all Covered Persons are expected to uphold:

- Covered Persons must always place the interests of Clients first;
- all personal securities transactions must comply with the Code of Ethics, and any actual or potential conflicts of interest or any abuse of a Covered Person's position of trust and responsibility must be avoided;
- Covered Persons must not take inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the Funds, including investors in the Funds, must be kept confidential; and
- independence in the investment decision-making process must always be maintained.

The Code of Ethics requires that Covered Persons comply with securities laws and regulations. Covered Persons must periodically certify their compliance with the Code of Ethics. The Managers will deliver a copy of the Code of Ethics to any Client or prospective Client that asks for it.

Personal Trading Restrictions

Before completing any personal investments, each Manager's Covered Persons must first confirm the issuer is not on SKMC's list of public companies about which SKMC may have inside information. If it is, the transaction cannot be completed without Chief Compliance Officer approval. In addition, Chief Compliance Officer approval is required for (i) investments in any private placements, and (ii) sales of interests in, or withdrawals from, private funds and alternative investments.

With limited exceptions, the Code of Ethics requires that a Covered Person periodically deliver to the Chief Compliance Officer a report of the holdings in the Covered Person's accounts and the accounts of certain related persons. Each Covered Person may also send to the broker-dealer(s) or financial institution(s) carrying each account a letter authorizing and directing that it forward duplicate monthly statements, and any other information or documents the Chief Compliance Officer requests, directly to SKMC. Covered Persons submitting monthly account statements do not have to submit quarterly holdings reports. If such statements are not received, a Covered Person must deliver securities transactions reports within 30 days after the end of each calendar quarter regarding transactions in his/her employee-related accounts. The Code of Ethics requires each Covered Person to prepare or certify, on at least an annual basis, reports of securities holdings and transactions.

Material, Non-Public Information

The Code of Ethics includes insider trading policies and procedures concerning material, non-public “inside information.” These policies prohibit the Managers and Covered Persons from trading for Clients or themselves, or recommending trading, in securities of a company while in possession of material, non-public information about the company, and from disclosing such information to any person not entitled to receive it. SKMC has designed these policies and procedures to (i) prevent the misuse of such information, (ii) ensure the propriety of trading activity by Covered Persons and the Managers on behalf of Clients, and (iii) protect and segment the flow of material, non-public information and other confidential information.

Gifts

SKMC’s gift policy allows for the giving and receiving of gifts. Covered Persons must report to the Chief Compliance Officer all gifts given to or received from business contacts. The Chief Compliance Officer tracks the gifts to ensure any gift-giving is neither so frequent nor so lavish as to create an appearance of impropriety.

Other Code Provisions

The Code of Ethics subjects Covered Persons to additional standards of conduct relating to such matters as political contributions, the use of SKMC funds and property, conflicts of interest, opportunities belonging to Clients, managing investments of related parties, and general dealings with Clients and their investors. In addition, the code requires that Covered Persons comply with the applicable provisions of each Manager’s anti-money laundering procedures and certify such compliance periodically. Violations of the Code of Ethics may result in sanctions, up to and including termination of employment.

The Managers and their personnel do not purchase securities for their own accounts from, or sell any securities for their own accounts to, Clients. However, subject to Client investment guidelines and restrictions, a Manager may direct one Client to sell securities to another Client through an internal cross transaction. Cross trades may be viewed as principal transactions due to the ownership interest in the Client by a Manager and its personnel. If one or more Funds are involved, advisory committee (or equivalent) approval would be required.

Cross transactions and principal transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client if the pricing of the securities being exchanged does not reflect their fair value. In addition, a Manager, acting as principal for one Client, could use its investment authority to transfer unappealing securities from that Client to another Client, or transfer appealing securities from another Client to the Client for which a Manager acts as principal.

If any cross transaction may be viewed as a principal transaction, the relevant Manager will comply with Section 206(3) of the Advisers Act and the applicable internal policies and procedures. In addition to applicable regulatory requirements, the Managers’ investment professionals must notify, and obtain the approval of, the Chief Compliance Officer or designee before executing a principal trade or cross trade. When reviewing a proposed principal trade or cross trade, the Chief

Compliance Officer or designee will confirm that: (i) the Client's applicable Client investment guidelines allow the trade, (ii) the valuation procedures were followed in pricing the transaction, and (iii) in the case of a principal trade, notice of the trade was given to the Client and written consent from the Client was obtained.

While the Managers do not directly invest in Clients, they may hold an indirect investment in Clients. In addition, Manager principals, officers and employees and certain affiliates may have their own direct and indirect investments in Clients through, for example, investments in Fund general partners and friends-and-family investment vehicles, co-investment arrangements and Incentive Fees.

ITEM 12

Brokerage Practices

Generally, the Managers only effect transactions in securities through privately negotiated purchases and sales, and satisfy the regulatory best execution requirements through the arms-length negotiation process in those transactions. However, SKMC has conducted open market transactions to dispose of the publicly-held securities of a portfolio company that had previously undertaken an initial public offering. The Managers may conduct additional open market transactions in the future under similar or other circumstances. Any such transactions will be executed by brokers selected by the Managers in their absolute discretion. In effecting open market transactions, the Managers must use reasonable diligence to ascertain the "best" market price for all securities bought or sold in that market so the price is as favorable as possible under prevailing market conditions. The determinative factor is whether the transaction represents the best qualitative execution for the Client and not whether the lowest possible commission cost is obtained. The Managers consider the full range of quality of the broker's service in selecting brokers to meet their best execution obligations and may not pay the lowest commission rates available.

The Managers generally take the following factors into account in selecting brokers for open market transactions, but are not required to weigh any of these factors equally:

- the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- the financial strength, integrity and stability of the broker;
- the broker's risk in positioning a block of securities; and
- the competitiveness of commission rates in comparison with other brokers.

ITEM 13

Review of Accounts

The Managers' investment professionals monitor the performance and operations of the Funds' portfolio companies continually.

Limited partners in the Funds receive annual audited financial statements and quarterly unaudited financial statements, plus annual and quarterly operating information about each portfolio company.

ITEM 14

Client Referrals and Other Compensation

SKMC does not intend to engage and compensate solicitors for Client referral activities. If SKMC enters into solicitation arrangements, such arrangements will be disclosed to affected Clients, and SKMC will comply with Rule 206(4)-3 under the Advisers Act where applicable.

In addition, SKMC may engage, or cause Clients to engage, placement agents to market and sell interests in Clients to prospective investors. SKMC requires that placement agents have all licenses and registrations needed to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of the Financial Industry Regulatory Authority. SKMC compensates placement agents for introducing investors to Seidler Funds.

Neither Manager will engage solicitors or placement agents for the Australia Fund.

ITEM 15

Custody

SKMC's supervisory procedures are intended to help ensure compliance with the custody rule in Rule 206(4)-2 under the Advisers Act. The Managers intend to comply with this rule for most Clients by providing audited financial statements to investors within 120 days after the Client's fiscal year end. This avoids the otherwise-applicable requirement that a custodian deliver quarterly account statements to investors. Where custodians deliver account statements, investors should carefully review them and compare them with any account statements a Manager delivers.

ITEM 16

Investment Discretion

Each Fund's governing agreement and Management Agreement grant the Fund's Manager full discretionary authority to make investment, portfolio management and exit decisions, subject to restrictions in the Fund's governing agreement. Such restrictions include those related to: (i) the size of individual portfolio investments in relation to committed capital, (ii) investment in marketable securities, (iii) participation in hostile transactions, (iv) investments in companies organized or headquartered outside of the United States (in the case of the Seidler Funds) or Australia and New Zealand (in the case of the Australia Fund), and (v) investment in businesses engaging in specified activities. Fund limited partners may also negotiate side letters that include additional investor-specific restrictions on a Manager's investment authority.

ITEM 17

Voting Client Securities

Although the Funds do not invest in publicly-traded securities, they may receive and vote proxies in some circumstances, such as after a portfolio company completes a registered initial public offering. In voting proxies, a Manager may have conflicts of interest where it has a substantial business relationship with the portfolio company's management and failing to vote in favor of company management could harm that relationship. Conflicts may also arise if a portfolio company senior executive and one or more Manager investment professionals have a significant personal relationship that could affect how the Manager would vote on a matter relating to the portfolio company.

SKMC has adopted and implemented policies and procedures it believes are reasonably designed to ensure the Managers vote proxies in the best interests of their Clients. For example, if a Manager representative sits on the board of directors of a portfolio company that is the subject of a proxy, the Chief Compliance Officer will undertake a review before voting the proxy to determine whether a material conflict of interest exists between the relevant Manager and the interests of its Client or between that Manager and its Client and the portfolio company shareholders. If the Chief Compliance Officer identifies a material conflict of interest, she will take the steps deemed necessary to determine how to vote the proxy in the best interests of the Client. These steps may include consulting with legal counsel, a proxy consultant and/or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising voting discretion, the Managers seek to avoid any direct or indirect conflict of interest between their Clients and their voting decision.

Clients may, on request, obtain a copy of the proxy voting policy, and a record of how proxies have been voted.

ITEM 18

Financial Information

SKMC does not have information to report that applies to this Item 18.