

PART 2A OF FORM ADV: FIRM BROCHURE

March 29, 2019

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This brochure provides information about the qualifications and business practices of Peterson Partners, Inc. and its relying advisers, including among others, Whitman/Peterson, LLC (together “Peterson”). If you have any questions about the contents of this brochure, please contact us at 801.417.0748 and/or enoble@petersonpartners.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority, and references in this Brochure to Peterson as a “registered investment adviser” are not intended to imply a certain level of skill or training. Additional information about Peterson also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Below is a description of material changes to our business since the previous annual filing of this brochure on March 30, 2018.

Peterson expanded the total commitments of three funds:

- Peterson Real Assets, LLC (formerly known as PSS II, LLC)
- Peterson Venture Partners II, LP
- Whitman / Peterson Partners III, LP

Updates related to these changes have been made to this brochure.

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ITEM 4 – ADVISORY BUSINESS

This Brochure relates to Peterson Partners, Inc. (the “**PP Adviser**”), a Utah corporation founded in September 1995, and its affiliated relying adviser, Whitman/Peterson, LLC (the “**RE Adviser**”), a Delaware limited liability company founded in January 2012, the General Partners (as defined below), (together, “**Peterson**”). Peterson is an investment advisory firm located in Salt Lake City, UT. Peterson provides discretionary investment advisory services to the private investment funds described below (the “**Funds**”), which are its only advisory clients. Specifically:

The PP Adviser provides discretionary investment advisory services to:

- Peterson Partners IV (A), LLLP, a Delaware limited liability limited partnership (“**PP IV (A)**”) – *It should be noted that PP IV (A) is no longer accepting new subscriptions.*
- Peterson Partners V, L.P., a Delaware limited partnership (“**PP V**”) – *It should be noted that PP V is no longer accepting new subscriptions.*
- Peterson Partners VI, L.P., a Delaware limited partnership (“**PP VI**”) – *It should be noted that PP VI is no longer accepting new subscriptions.*
- Peterson Partners VII, L.P., a Delaware limited partnership (“**PP VII**”) – *It should be noted that PP VII is no longer accepting new subscriptions.*
- Peterson Partners VIII, LP, a Delaware limited partnership (“**PP VIII**”) – *It should be noted that PP VIII is no longer accepting new subscriptions.*
- Peterson Partners VIII Parallel, LP, a Delaware limited partnership (“**PP VIII-P**”) – *It should be noted that PP VIII-P is no longer accepting new subscriptions.*
- Peterson Venture Partners Zero, LLC, a Utah limited liability company (“**PVP Zero**”) – *It should be noted that PVP Zero is no longer accepting new subscriptions.*
- Peterson Venture Partners I, L.P., a Delaware limited partnership (“**PVP I**”) – *It should be noted that PVP I is no longer accepting new subscriptions.*
- Peterson Venture Partners II, LP, a Delaware limited partnership (“**PVP II**”) -- *It should be noted that PVP I is no longer accepting new subscriptions.*
- Peterson Search Partners, LLC, a Utah limited liability company (“**PSP**”) – *It should be noted that PSP is no longer accepting new subscriptions.*
- Peterson Special Situations, LLC, a Utah limited liability company (“**PSS**”) – *It should be noted that PSS is not accepting new subscriptions.*
- Peterson Real Assets, LLC (formerly known as PSS II, LLC), a Utah limited liability company (“**PRA**”) – *It should be noted that PRA is no longer accepting new subscriptions.*

The RE Adviser provides discretionary investment advisory services to:

- Whitman/Peterson Partners, Ltd., a Cayman Islands exempted company (“**WPP**”). – *It should be noted that WPP is no longer accepting new subscriptions.*
- Whitman/Peterson Partners II, Ltd, a Cayman Islands exempted company (“**WPP II**”). – *It should be noted that WPP II is no longer accepting new subscriptions.*

- Whitman/Peterson Partners III, LP, a Delaware limited partnership (“**WPP III**”) -- *It should be noted that WPP III is no longer accepting new subscriptions.*

Affiliates of Peterson serve as the general partners or managers of certain of the Funds. Specifically: Peterson Partners IV (A), LLC (the “GP of PP IV (A)”) serves as the general partner to PP IV (A); Peterson Partners V, LLC (the “GP of PP V”) serves as the general partner to PP V; Peterson Partners VI, LLC (the “GP of PP VI”) serves as the general partner to PP VI; Peterson Partners VII, LLC (the “GP of PP VII”) serves as the general partner to PP VII; Peterson Partners VIII GP, LLC (the “GP of PP VIII & PP VIII-P”) serves as the general partner to PP VIII and PP VIII-P; Peterson Venture Partners, LLC (the “Manager of PVP Zero”) serves as the manager to PVP Zero; Peterson Venture Partners I GP, LLC (formerly known as Peterson Ventures IV, LLC) (the “GP of PVP I”) serves as the general partner to PVP I; Peterson Venture Partners II GP, LLC (“GP of PVP II”) serves as the general partner to PVP II; PSP Management, LLC (the “Manager of PSP”) serves as the manager to PSP; PSS Management, LLC (the “Manager of PSS”) serves as the manager to PSS and PRA Management, LLC (formerly known as PSS II Management, LLC) (the “Manager of PRA”) serves as the manager to PRA; Whitman/Peterson Management (the “Manager of WPP”) serves as the manager to WPP; Whitman/Peterson Management II, LLC (the “Manager of WPP II”) serves as the manager to WPP II; Whitman/Peterson GP III, LLC (the “GP of WPP III”) serves as the general partner to WPP III. The GP of PP IV (A), the GP of PP V, the GP of PP VI, the GP of PP VII, the GP of PP VIII & PP VIII-P, the Manager of PVP Zero, the GP of PVP I, the GP of PVP II, the Manager of PSP, the Manager of PSS and the Manager of PRA, the Manager of WPP, the Manager of WPP II, the GP of WPP II are collectively referred to as (the “**General Partners**”).

Joel C. Peterson, Clint R. Peterson, Matthew C. Day, Marc A. Fuller, and Robert S. Hansen are the principal owners of the PP Adviser; Whitman Real Estate Holdings, LLC (which is ultimately principally controlled by Robert A. Whitman) and Peterson Real Estate Investments II, LLC (which is ultimately principally controlled by Joel C. Peterson) are the principal owners of the RE Adviser.

Peterson serves as investment adviser to private investment funds that are operating as private equity funds, real estate funds and venture capital funds.

Private Equity Funds:

The PP Adviser’s strategy is to be the preferred capital partner to entrepreneurs and founders of businesses in making opportunistic private equity investments. Generally, the companies the PP Adviser invests in on behalf of the Funds (together companies Peterson has identified as potential investments for the Funds, the “**Portfolio Companies**”) are companies that have more than \$10 million in revenues, are cash flow positive and are poised for rapid and profitable growth. In addition to providing capital, Peterson helps company leaders as they consider and implement strategies in areas such as sales, personnel, and finance. Peterson expects that the companies that the Funds invest in (will typically have some or all of the following characteristics:

PP IV (A), PP V, PP VI, PP VII, PP VIII, PP VIII-P PSP, PSS, and PRA:

- Proven business models and positive cash flow or steady state net operating cash flows;
- Talented management (or the PP Adviser and its network can bring such management to the Portfolio Company);
- Straight-forward approaches to competing in business services, light manufacturing, distribution and other industry sectors;
- High operating margins that generally derive from unique value-added services, a superior brand value proposition or an advantaged position in an embryonic or growing industry;
- High growth prospects, through a combination of organic expansion and acquisition;
- Attractive valuations; and
- Potential for improvements in strategy and management (e.g., fragmented or under-managed industries).
- Search Funds and operating companies acquired by Search Fund entrepreneurs

It should be noted that each of the private equity Funds has an investment committee that is comprised of officers of Peterson and/or other affiliated individuals (each, an “**Investment Committee**”). The relevant Investment Committee makes decisions regarding the acquisition and disposition of Portfolio Companies for the Funds.

Real Estate Funds:

WPP, WPP II and WPP III

The RE Adviser makes real estate and real estate related investments. The RE Adviser invests equity in real estate assets throughout the United States, Europe and Latin America. The RE Advisor is focused on providing equity for multi-family, student housing, lodging, and senior housing assets. These are segments of the market where the operational intensity of the asset classes means that superb execution and operations can create significant investment value. In these segments, the RE Adviser partners with national and regional Portfolio Companies to leverage their operating presence and capabilities, and their capital projects expertise, to create value at the property level and to efficiently source, evaluate, and execute on opportunities nationally. The RE Adviser typically: maintains deal-by-deal approval rights on each investment and has significant influence on the investment decisions. Additionally, the RE Adviser performs portfolio and investment management services on behalf of the Funds. The RE Adviser may receive an option to purchase an interest in the Portfolio Companies with whom they partner, in order to share in any value created at the operating-company level, through the RE Adviser’s partnership. In summary, the RE Adviser’s strategy is the following:

- 1) Target operating-intensive segments of the real-estate markets, where operations and capital-projects expertise can create a competitive advantage;
- 2) Purchase assets at a very attractive basis (which typically means buying assets that are in need of capital or operational improvements);
- 3) Partner with highly-capable Portfolio Companies who can source great opportunities and create value at the property-level;
- 4) Invest through deal structures that maximize returns; and
- 5) Obtain an option to purchase an interest in the partner’s Portfolio Company, to participate in the value the RE Adviser is helping create through its investments

It should be noted that each of the Funds have a program investment committee that is comprised of officers of the RE Adviser and the operating partner (each, an “**Program IC**”). The relevant Program IC defines the Funds’ targeted investment criteria, underwriting parameters and approval guidelines. The Program IC reviews deals regularly and makes decisions regarding the allocation of Fund assets to potential investment opportunities. The General Partners are responsible for the investment decisions for the applicable Funds, including decisions regarding the acquisition, management and disposition of investments.

Venture Capital Funds:

PVP Zero, PVP I and PVP II

The PP Adviser pursues an investment strategy to partner with talented entrepreneurs and founders of companies to build growth businesses. PVP Zero has invested in start-up and early-stage companies. PVP I and PVP II is primarily engaged in seed and early stage venture capital investing.

It should be noted that each of the venture capital Funds has an investment committee that is comprised of officers of Peterson and/or other affiliated individuals (each, an “**Investment Committee**”). The relevant Investment Committee makes decisions regarding the acquisition and disposition of Portfolio Companies for the Funds.

The investment focus of each Fund is described in its partnership agreement, confidential private offering memorandum and/or investment management agreement (“Governing Documents”).

Peterson does not participate in wrap fee programs.

As of December 31, 2018, Peterson managed approximately \$1,425,262,902 in Fund assets (calculated in regulatory assets under management), all on a discretionary basis. It should be noted that \$648,235,097 reflects the PP Adviser’s regulatory assets under management and \$777,027,805 reflects the RE Adviser’s regulatory assets under management. Peterson does not currently manage any advisory client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

The PP Adviser is generally compensated for advisory services through asset-based management fees. The PP Adviser receives a quarterly management fee (payable in advance) from each Fund in an amount equal to 1.0-2.5% per annum, as outlined in each Fund’s Governing Documents. The management fee is based on a percentage of capital commitments or funded capital contributions, as applicable.

The RE Adviser is compensated for advisory services on a cost-reimbursement basis and through asset based management fees, depending on the Investors and the Fund, whereby the RE Adviser receives a management fee generally based on an approved budget or depending on the Investor class and Fund, the lesser of (i) 1.0% to 2.0% of the Investor’s capital subscriptions during the

investment period or the Investor's capital contributions invested in, but unreturned from, investments, after the investment period; or (ii) actual costs as outlined in each Fund's Governing Documents. For WPP and WPP II, the management fees are collected quarterly in advance. For WPP III, management fees are typically collected semi-annually in arrears.

In addition to the above fees, Peterson and/or the General Partners may receive fees from Portfolio Companies, including directors' fees as a result of employees and related persons of Peterson sitting on the boards of the Portfolio Companies, as well as management fees, advisory fees, consulting fees, monitoring fees, brokers' and finders' fees, transaction fees, investment banking fees and net breakup fees. In general, these fees, net of the cost associated with generating such fee, are either retained by Peterson, returned to the respective Fund or offset against management fees, in accordance with each Fund's Governing Documents.

Peterson may elect to waive or reduce the management fees for certain Investors, including affiliates of Peterson. As described in Item 6, Peterson, including the PP Adviser and the RE Adviser, may receive performance-based compensation.

Peterson generally deducts fees and other compensation it receives from each of the Funds' assets, except that WPP, WPP II and WPP III may pay fees and other compensation in excess of their assets. Other than those managed by the RE Adviser, the Funds do not have the ability to choose to be billed directly for fees incurred. Please see the response to Item 5 above for a summary of how often Peterson's fees and other compensation are deducted.

In addition to the fees and other compensation payable to Peterson and its affiliates as noted above, the Funds generally pay the following expenses (to the extent not reimbursed by a Portfolio Company):

- Organizational expenses (in whole or in part);
- Legal, auditing, consulting and accounting expenses, advisors and professionals;
- Expenses associated with the Funds' financial statements, tax returns and K-1's;
- Expenses of Investor reporting including meetings and document delivery;
- Insurance and indemnity expenses;
- Other expenses associated with the acquisition, holding and disposition of investments;
- Third-party expenses in connections with transactions not consummated and for certain of the Funds, after the Fund and the target of such transaction have entered into a letter of intent or similar arrangement with respect to such transaction;
- Extraordinary expenses (such as litigation, if any);
- Expenses related to the development, investigation and monitoring of investments;
- Expenses of any custodians, lenders, investment banks and other financing sources;
- Taxes, fees or other governmental charges levied against the respective Fund; and
- Any and all expenses incurred in connection with the dissolution, winding up or termination of the Funds.

In addition to the above expenses, WPP, WPP II and WPP III will bear the costs of:

- Any and all expense (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of WPP, WPP II, and WPP III; and

- Any and all expenses related to defaults by Investors in the payment of any contributions.

Peterson will pay for all its own normal day-to-day operating expenses, such as compensation of its professional staff, and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses. As stated above, Peterson is reimbursed by WPP, WPP II and WPP III for all such expenses.

From time to time, a Fund, Peterson and/or its affiliates (each a “**Peterson Entity**”) may share certain fees and expenses, and from time to time one Peterson Entity may bear a portion of the fees and expenses allocable to another Peterson Entity until such time as it is reimbursed by the other Peterson Entity.

As detailed above, the management fees are generally charged quarterly in advance.

It is critical that Investors refer to the relevant Fund Governing Documents for a complete understanding of the Funds’ expenses. The information contained herein is a summary only and is qualified in its entirety by such documents.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Peterson receives performance-based compensation from and may receive performance-based compensation from other Funds in the future.

Peterson may be eligible to receive a percentage of investment proceeds on distributions (“**Carried Interest**”). All distributions are split between Fund investors (each an “**Investor**”) and Peterson as set forth in the applicable Fund’s Governing Documents. The range of Carried Interest is generally equal to 20-25% of realized gains, however in some cases can be as low as 15% and as high as 30%. The percentage of carried interest received by Peterson may vary based upon a specific preferred return or multiple of investment (the “**Return**”) an Investor receives in the relevant Fund.

Peterson’s receipt of performance-based compensation, as well as any future receipt of performance-based compensation by the General Partners or other Peterson affiliates, creates a potential conflict of interest in that it may create an incentive for Peterson to make riskier or more speculative investments on behalf of the Funds than would be the case in the absence of this arrangement; it also may create an incentive for Peterson to allocate investments, time and resources to certain Funds over other Funds in order to earn greater performance-based compensation. Peterson may elect to waive or reduce the performance-based compensation payable by certain Investors, including affiliates of Peterson.

Peterson recognizes that it is a fiduciary and that it must treat all Funds fairly and not favor one Fund’s interests over another’s. Peterson regularly assesses the allocation of its resources, including investment personnel, among its Funds to ensure adherence to its fiduciary duties.

Peterson has also implemented a “Conflicts of Interest” policy that requires Peterson’s investment teams, management, Chief Compliance Officer and if needed, a Conflicts Committee, to review proposed investments and sales in the Funds and other business engagements for potential conflicts of interests prior to the transaction or activity.

Also, reference Item 12 for more information regarding Peterson’s allocation of investment opportunities amongst the Funds.

ITEM 7 – TYPES OF CLIENTS

As described in Item 4, Peterson provides discretionary investment advisory services to the Funds, which are pooled investment vehicles operating as private investment funds.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

As a general matter, Peterson utilizes the methods of analysis and investment strategies detailed in the Governing Documents of a Fund. The information contained herein is a summary only and Investors in any Fund should refer to the respective Fund Governing Documents (which should be carefully reviewed) for a complete overview of Peterson’s methods of analysis and investment strategies.

Investment ideas are typically generated internally through research and analysis. In connection with identifying, evaluating and analyzing investment opportunities for the Funds, investment professionals of Peterson also generally draw upon their professional experience in relevant industries and contact with industry executives, established business relationships and independent consultants and advisors.

The Funds take control and minority positions, either individually or as lead member of, or participant in, a consortium of investors. Target investments include both privately-held and public companies, generally via private transactions, as well as real estate and real estate-related investments. A core part of the investment process often involves developing a relationship with the senior executives and key shareholders of an investee company. The Funds may obtain board representation, observer rights or other types of management or shareholder rights. The RE Adviser makes investments in both real property and Portfolio Companies.

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. They are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.

It is critical that Investors refer to the relevant Fund Governing Documents for a complete understanding of Peterson’s investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such Governing Documents.

Dependence on Key Personnel. Peterson's success in managing the Funds will be highly dependent on the skill and expertise of Peterson's management team. Peterson's investment professionals have financial interests in the Funds and are generally discouraged from withdrawing from participation in the Funds' investment activities. However, there can be no assurance that any individual Peterson investment professional will continue to be associated with the firm or a Fund, as none of these persons is under any contractual obligation to do so. Furthermore, although Peterson's investment professionals commit a significant amount of their business efforts to the Funds, they are not required to devote all of their energies to the Funds' affairs and may pursue separate business interests.

Risk of Dilution. Investors admitted at subsequent closings will participate in existing investments of the respective Fund, diluting the interest of existing Investors therein. Although such Investors will contribute their pro rata share of previously made Fund draws (plus an additional amount thereon), unless the respective General Partner in its discretion determines that a pro rata capital contribution from Investors at a subsequent closing would not appropriately reflect a material change in the value of the portfolio investments then held by the Fund together with interest as described herein, there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Investors subscribe for Interests.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive private equity, real estate and venture capital investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. Peterson will be competing for investments with other investors, as well as companies, public equity markets, venture capital markets, individuals, financial institutions and other investors. Further, over the past several years, an ever-increasing number of private equity funds/venture capital funds have been formed and many such existing funds have grown substantially in size, resulting in an unprecedented amount of capital available for private equity/venture capital investment. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which portfolio investments can be made.

Consequences of Default. In the event that an Investor fails to fund any of its capital commitment when required, such Investor's respective interest in the Fund and its investments may be reduced and the Investor may be precluded from further investment in the Fund.

Uncertainty of Financial Projections. Peterson will generally establish the pricing of transactions and the capital structure of Portfolio Companies on the basis of financial projections for such Portfolio Companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Investments Longer than Term. The Funds may make portfolio investments which may not be advantageously disposed of prior to the date the Funds will be dissolved, either by expiration of the Fund's term or otherwise. The Funds may have to sell, distribute or otherwise dispose of portfolio investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Funds, Peterson will be required to use its reasonable best efforts to reduce to cash and cash equivalents such assets of the Funds as Peterson shall deem advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Investors will occur.

The Funds may invest in Portfolio Companies that are early stage, or start-up, in nature and that do not have any revenues. Certain of the Funds may invest a portion of assets in the securities of less established or start-up companies and/or real estate assets and real estate projects (collectively, "Ventures"). Investments in such early-stage Ventures may involve greater risks than are generally associated with investments in more established companies or real estate projects. Such Ventures may have shorter operating histories on which to judge future performance and may have negative cash flow and may have uncertain revenue potential. Less established Ventures are often undercapitalized and vulnerable to financial failure. Peterson's ability to invest in early stage Ventures on behalf of the Funds may increase the risk of losses in Portfolio Companies or real asset investments and, as a result, increase the risk of an investment in a Fund.

Nature of Direct Investments. Investment in the Funds requires a long-term commitment, with no certainty of return. The Funds may invest in companies or real assets that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. Additionally, the Funds will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act of 1933 (the "1933 Act") or in accordance with Rule 144 of the 1933 Act or another exemption under the 1933 Act. There may be little or no near-term cash flow available to the Investors. In addition, in some cases the Funds may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. To the extent that there is no trading market for a portfolio investment, the Funds may be unable to liquidate that portfolio investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the Funds' portfolio investments will be found. Since the Funds may only make a limited number of portfolio investments and since many of the Funds' portfolio investments may involve a high degree of risk, poor performance by one or more of the portfolio investments could severely diminish the total returns to Investors. In addition, Investors have no assurance as to the degree of diversification of the Funds' portfolio investments, either by geographic region, industry or transaction type. To the extent the Funds concentrate portfolio investments in a particular issuer, industry, security or geographic region, its portfolio investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Minority Portfolio Investments; Non-Controlling Portfolio Investments; Co-Investment with Third Parties. The Funds frequently invest in minority positions of companies (and real asset

investments) and in companies for which the Funds have no right to appoint a director or otherwise exert significant influence or protect its position. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

The Funds may also hold a non-controlling interest in certain Portfolio Companies and, therefore, may have a limited ability to protect its position in such Portfolio Companies, although as a condition of investment in a Portfolio Company, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' interests.

The Funds may co-invest with third parties through consortiums of private equity investors, joint ventures or other similar arrangements. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. The third party co-investors (or their related persons) may provide and have provided products or services to the Funds or Portfolio Companies for which they may receive or have received compensation. For example, in those circumstances where such third parties involve a management group, such third parties may have compensation arrangements relating to such investments, including incentive compensation arrangements.

Co-Investments. Peterson may provide to Investors or other persons the opportunity to co-invest alongside Peterson and/or a Fund in a company. Peterson may receive a management fee, carried interest or both with respect to such co-investments. The potential for such remuneration may incentivize Peterson to allocate a greater percentage of investment opportunities to co-investors than it would otherwise.

Follow-On Investments. Some Fund portfolio companies, especially those in a start-up phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. In order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect its investment when a portfolio company's performance does not meet expectations, a Fund may make additional debt or equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in a portfolio company. There can be no assurance that a Fund will wish to make follow-on investments, that the Fund will have sufficient funds to do so or that such additional investment would not exceed the Fund's diversification limit. Any decision by Peterson not to pursue follow-on investments or the inability of a Fund to make a follow-on investment may have a substantial negative impact on a portfolio company in need of financing, may diminish the Fund's ability to influence the company's future development or may significantly dilute the Fund's ownership in the company.

Controlling Interests. A Peterson Fund may be considered to control, participate in the management of or influence the conduct of portfolio companies due to its equity ownership, representation on the board of directors or contractual rights. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects,

pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including but not limited to securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, a Peterson Fund could suffer losses on their investments and be required to indemnify out of the Fund's assets persons associated with the Peterson Fund for losses and damages that they incur. While the applicable General Partners intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be known or eliminated.

Investments in Restructurings. The Funds may make portfolio investments in restructurings which involve Portfolio Companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such Portfolio Companies to become subject to bankruptcy proceedings. Such portfolio investments could, in certain circumstances, subject the Funds to certain additional potential liabilities which may exceed the value of the Funds' original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, portfolio investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize portfolio investments made in the form of debt as equity contributions.

Investments in Less Established Companies. Funds may invest a portion of its assets in the securities of less established or start-up companies. Portfolio investments in such early-stage companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Funds, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. There can be no assurance that any such losses will be offset by gains (if any) realized on the Funds' other portfolio investments.

Operating and Financial Risks of Portfolio Companies. Companies in which the Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies which the Funds expected to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Funds' investment strategy will depend, in part, on the ability of the Funds to restructure and effect improvements in the operations of a Portfolio Company. The activity of identifying and

implementing restructuring programs and operating improvements at Portfolio Companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements.

Investments in Real Estate. The Funds may invest in real estate or real estate-related investments, which may involve greater and different risks than are associated with an investment in companies. Real estate investments are speculative by nature, and their value can be significantly impacted by changes in such things as the general economic climate, conditions of financial markets, real estate values, local real estate conditions, changes in the availability of debt financing, the credit risk of buyers and tenants, market concentration, the regulatory framework governing real estate, including but not limited to environmental laws, the Americans with Disabilities Act and laws related to asbestos, land-use and zoning restrictions, the ability of tenants to make payments, changes in taxes, fluctuations in supply and demand for real property, and natural disasters. If a Fund owns real estate directly or indirectly, it may be responsible for environmental liabilities on the real property, insurance for the property (which may not be available at commercially reasonable rates), the costs of repairs and capital improvements to the property, property taxes and other taxes associated therewith, and specific litigation relating to the property that may have accrued prior to the Fund's ownership of an interest in the property. Operating results suffer because of potential redevelopment risks such as contractor delay, incorrect projections, and other delays outside the Funds' control. If the Funds invest in real estate that do not provide current returns, they will be subject to a higher risk that the disposition of such real estate may not provide the realization the Fund is seeking. If the Funds invest in real estate-related investments that require specialized managers or operators, the investment will be dependent on the skill, expertise, wherewithal and diligence of such operators, over which the Fund may have limited control. The Funds will also attempt to perform sufficient due diligence on all real estate assets before investing in them, but not all circumstances that could affect such an investment will be discovered through due diligence, and, in addition, certain real estate transactions may need to be done on an expedited basis and so the Funds may not have sufficient time to perform the due diligence they may otherwise have performed. As there is generally not an established trading market for real estate, real estate investments are generally significantly more illiquid which may prevent the Funds from disposing of them at the time they wish to. Additionally, in making investment decisions with respect to real estate, the Funds may use valuations since there is no established market, which valuations carry inherent risks as they are based on several assumptions, which may prove incorrect. If the Funds invest in troubled real estate assets, there will be significantly higher risks that such assets will not perform to the Funds' projections and may need to be restructured or reorganized.

If the Funds make real estate loans secured by a mortgage on the real property, there are a number of risks associated with such lending, including risks that the property may not perform as expected, that the properties may be poorly managed and not provide sufficient income, and that the Funds will be required to foreclose on the property, which foreclosure process requires significant time and investment and is not certain to succeed. The Funds may also incur leverage and secure such leverage with real property owned by the Funds. Such leverage and security may limit the use of the real property, may be on unfavorable terms to the Funds, may require cross-collateralization with other properties owned by the Fund, and may require the Funds or their affiliates to issue guarantees to secure such loans.

Risk of Leverage. Peterson may recommend investments in portfolio companies that employ leverage, a significant portion of which may be subject to floating interest rates. The leveraged capital structure of such investments increases a portfolio company's exposure to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the company itself or its industry. Leverage may also involve restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow, or cures in the form of follow-on investments.

Investments Outside the United States. To the extent that they invest in Portfolio Companies organized in and operating outside of the United States, the Funds are subject to the risk that changing local political environments, regulatory restrictions, and government institutions and policies in foreign nations will impact the operations and value of Portfolio Companies. Political and economic instability a foreign country in which the Funds invest could adversely affect the Funds and global market conditions. The risks of investing in non-U.S. Portfolio Companies are generally less significant in developed countries that enjoy relatively stable political, economic, and social environments. But, the local conditions of a foreign nation could change at any time. The risks of investing in developing or emerging market countries are generally higher than in developed markets, especially with respect to the potential for internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases, nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions, securities exchange disruptions, or diplomatic developments that could adversely affect any non-U.S. Portfolio Companies in which the Funds invest. Other risks of foreign investing include: possible delays in the settlement of transactions or in the payment of income; generally less publicly available and reliable information about non-U.S. companies; accounting, auditing, and financial reporting standards that may be less comprehensive, uniform, or exacting than those in the United States; the imposition of economic and other sanctions against a particular foreign country, its nationals or industries or businesses within the country; the generally less stringent standard of care to which Portfolio Companies may be held in local markets; quickly and unpredictably changing laws and regulations in emerging market countries, in particular those involving local securities exchanges, taxation, and foreign investment and trade; significantly delayed or lack of judicial enforcement of existing laws, judgments, or arbitral awards; lack of a forum for impartial adjudication of disputes between foreigners and local persons or companies; underdeveloped commercial laws and judicial and civil procedures; and less transparent and less protective bankruptcy and receivership processes. These risks may adversely affect the value of the Funds and their Portfolio Companies.

Material Non-Public Information. Peterson, and its investment professionals, by reason of their responsibilities in connection with other activities, may acquire proprietary or otherwise confidential and material non-public information regarding a company. Peterson and its investment professionals may not trade in a company's securities while in possession of such information, and may be otherwise restricted from initiating transactions in certain securities after receiving material non-public information. This could cause a Fund to be prevented from buying or selling an investment that it otherwise might have bought or sold.

Liabilities Upon Disposition. As part of the disposition process of an investment in a portfolio company, a Peterson Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content and disclosure documents under applicable securities laws. A Peterson Fund also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representation or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities of a Fund. While the Peterson Funds have liability coverage, the nature and extent of the liabilities may or may not fit within the terms and limits available.

It is critical that Investors refer to the relevant confidential private offering memorandum, explanatory memorandum and other Governing Documents for a complete understanding of the material risks involved in relation to the types of securities that Peterson invests in on behalf of the Funds. The information contained herein is a summary only and is qualified in its entirety by such Governing Documents.

ITEM 9 – DISCIPLINARY INFORMATION

Peterson and its management personnel have no reportable disciplinary events to disclose, no reportable administrative proceedings to disclose, and no reportable SRO proceedings to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Peterson serves as the investment adviser to the Funds. Peterson, its employees or their related persons may also invest directly in the Funds. It should be noted that investments in the Funds made by such parties are generally subject to the same fees and liquidity as outside, unaffiliated investors. Peterson may change this practice at any time.

A Fund may have investments in Portfolio Companies that compete in the same industry as Portfolio Companies held by another Fund, or may make investments in the same Portfolio Companies held by other Funds. In other instances, relationships developed in connection with one or more Funds may result in deal flow for other Funds. In the event that the Funds hold different securities in the same Portfolio Company (including with respect to their relative seniority, and whether such securities are purchased contemporaneously or otherwise), Peterson may be presented with decisions when the interests of the two Funds are in conflict. For example, if a Portfolio Company in which a Fund has an equity investment, and in which another Fund has a debt investment, Peterson may have conflicting loyalties between its duties for one Fund versus another Fund. In that regard, actions may be taken for one Fund that is adverse to such other Fund.

Pursuant to Peterson's investment strategies, employees and other related persons of Peterson will sit on the boards of Portfolio Companies for which Peterson or its related persons may receive compensation or other financial or non-financial and ancillary benefits such as gifts, entertainment (including participating in golf outings) and other items of value. Serving in such a capacity or receiving gifts, entertainment, or other items of value, may expose Peterson employees and other related persons, and by association, Peterson and the Funds, to certain conflicts of interest, such as a conflict between Peterson's economic interest and what is in the best interests of the Funds (e.g., with respect to Peterson making investment decisions for the Funds). See also Item 5 regarding director's fees.

Peterson provides administrative and consulting services to third-party vendors in connection with Peterson's business operations. These services, for which Peterson is compensated directly, include tax-related and accounting matters. Through its wholly-owned subsidiary, PRA Development Company, LLC ("PRA Development"), Peterson provides administrative and consulting services in connection with the business projects undertaken by certain Portfolio Companies. These services, for which Peterson is compensated through PRA Development, include: strategic consulting with respect to organizational, business and financing matters; general project management; human resource functions; and books and records keeping. These arrangements have the potential to influence Peterson's investment decisions for the Funds, which may present a conflict between Peterson's economic interest and what is in the best interests of the Funds. Additionally, conflicts may arise as Peterson allocates personnel and other resources to the provision of such services.

Peterson's personnel may and have worked on other projects (other than for Peterson), including projects for their personal benefit, which may be investment advisory in nature. Peterson's personnel and their related persons may maintain outside business relationships with Investors, shareholders of Portfolio Companies and/or the Funds. For example, Peterson's personnel and other related persons will also serve as members of the boards of directors or advisory board of various companies other than Portfolio Companies, including companies in which Investors or shareholders of Portfolio Companies have an ownership interest. Such relationships have the potential to influence Peterson's investment decisions for the Funds, which may present a conflict between Peterson's economic interest and what is in the best interests of the Funds. Additionally, conflicts may arise in the allocation of management resources as a result of such other activities. Specifically, Joel C. Peterson serves on the boards of public companies, including as Chairman of the Board of JetBlue Airways and Board Member of Franklin Covey. His positions are not investment advisory in nature; however, Mr. Peterson does receive compensation for such services. Further, Robert W. Whitman is a Board Member of Charles River Associates as well as the Chief Executive Officer and a more than 5% shareholder in Franklin Covey. Mr. Whitman's position at Charles River Associates and Franklin Covey is not investment advisory in nature; however, he does receive compensation for such services.

From time to time, Peterson may employ or engage, and has employed or engaged, third parties to render services to the Funds or Portfolio Companies on such terms and for such compensation as Peterson may determine to be appropriate, including receiving such products or services at no cost or at a discount. Such persons may be or have been affiliates (including family members and close personal friends) of a Peterson related person or of one or more of the Investors. For

example, a family member of Joel C. Peterson may be recruited to serve as an officer of a Portfolio Company, subject to certain conditions, including that all family members involved in the arrangement recuse themselves in the face of any conflict of interest, appropriately protect all confidential information, and act only in accordance with their fiduciary duties. Persons retained, engaged or employed by the Funds or Portfolio Companies may also be or have been engaged, retained or employed by and act on behalf of Peterson, one or more Investors or any of their respective related persons (including family members and close personal friends). Additionally, a Portfolio Company (or a related person) may provide and has provided products or services to the Funds or other Portfolio Companies. See Item 11 for additional information.

Peterson may provide more favorable treatment to certain Investors over other Investors. Such arrangements may establish rights under, altering or supplementing the terms of the Governing Documents of the affected Fund or may be unrelated to a Fund. Certain arrangements may be granted to incentivize or permit Investors to invest with a Fund, invest certain amounts or invest with Peterson in the future. Certain Investors have received financing from a related person of Peterson, enabling them to invest in a Fund.

Peterson maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, however, there can be no assurance that permitting the board membership of an employee will not result in less favorable results for the Funds than if the management person was not permitted to serve in such capacity. Finally, it should be noted Funds and Investors are provided with disclosure with respect to these conflicts in the applicable Fund Governing Documents.

Peterson has also implemented a “Conflicts of Interest” policy that requires Peterson’s investment teams, management, Chief Compliance Officer and if needed, a Conflicts Committee, to review proposed investments and sales by the Funds and other business engagements, including PRA Development service contracts, for potential conflicts of interests prior to the transaction or activity.

Peterson does not recommend or select other investments advisers for the Funds. However, as detailed above, Peterson makes investments in other investment advisers, one of which certain of the Funds has a controlling ownership interest and Peterson employees have personal investments.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Peterson’s Code of Ethics (the “**Code**”) is designed to meet the requirements of Rule 204A-1 under the Investment Advisers Act of 1940 (the “**Advisers Act**”). The Code applies to Peterson’s access persons and is based on Peterson’s status as a fiduciary. The Code sets forth a standard of business conduct that takes into account the duties of loyalty, fairness and good faith that Peterson and its personal must show towards clients. Peterson’s access persons are obligated to adhere not only to the specific provisions of the Code but to comply with the general

fiduciary principles that guide the Code and applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of Peterson's Chief Compliance Officer. All access persons are provided with a copy of the Code and are required to certify and acknowledge receipt of the Code on at least an annual basis.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. Peterson's access persons must provide Peterson's Chief Compliance Officer with a list of their reportable personal accounts and an initial holdings report within 10 days of becoming an access person. In addition, Peterson's access persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1 under the Advisers Act.

The Code is designed to protect non-public information about the activities of the Funds and the Investors and establishes insider trading policies and procedures. Peterson maintains a restricted securities list ("**Restricted List**") that includes issuers about which any employee has material non-public information. At any given time, a Fund may directly or indirectly be a substantial shareholder in one or more companies and may have the ability to nominate individuals to serve on the boards of directors of such companies. As a result, certain access persons may come into possession of material non-public information regarding those companies or their publicly-traded affiliates. In order to minimize the risk of improper transactions, all companies in which Peterson or a Fund owns stock or controls one or more board seats, and all of the publicly-traded affiliates of such companies, will be placed on the Restricted List. As a general matter, access persons are prohibited from trading in the securities of issuers that are included on Peterson's Restricted List (or any other securities to which the material non-public information relates) for either a personal account or for any Fund.

The Code and other related Peterson compliance policies and procedures also includes other provisions to comply with the securities laws and to address conflicts of interests such as the following:

- Chief Compliance Officer pre-clearance of private securities transactions
- Employee restrictions on gifts and entertainment
- Approval of certain employee outside business activities
- Restrictions on certain political contributions

Peterson's compliance team periodically monitors access persons' personal account trading against the Restricted List and generally compliance with the Code.

Peterson's advisory clients and Fund Investors may obtain a copy of Peterson's Code by contacting Eric Noble at 801.417.0748.

As noted herein, Peterson serves as investment adviser to the Funds and receives compensation for such services. Peterson, its employees and their respective related persons (including family members and close personal friends) may invest directly in the Funds. The fact that Peterson, its employees and its related persons may have a financial ownership interest in the Funds creates a potential conflict in that it could cause Peterson to make different investment decisions than if

they did not have such a financial ownership interest. Further, Peterson charges the Funds fees based on a percentage of committed capital and/or contributed/invested capital via the management fee and, in some instances receives other based on performance. The management fee charged to the various Funds may vary slightly and is described in detail in each Fund's Governing Documents. The management fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Peterson to establish capital commitments in a Fund at a higher level than would be the case if Peterson were receiving a lower management fee which may incentivize Peterson to make investment decisions based on its desire for a Fund to complete its investment period or, in instances where the management fee is based on invested capital, may incentivize Peterson to focus its resources on investing as much of the committed capital as possible prior to the end of the relevant investment period so as to maximize the base of invested capital upon which management fees would thereafter be charged. This could present a conflict between Peterson's economic interest in maintaining management fees and the interests of the Funds in investing in high quality investments. In instances where a Fund pays performance-based compensation, Peterson may also have an incentive to make investments that are riskier or more speculative than it otherwise would and to allocate investments, time and resources to certain Funds over other Funds in order to earn greater performance-based compensation.

Peterson or its related persons may receive and have received services, products and/or discounts from the Portfolio Companies (or their related persons) for their own business operations or other outside business activities. Fees and expenses for such arrangements are negotiated on an arms-length basis. However, since certain of the Funds may have an investment with such Portfolio Company, using such service presents a conflict of interest. For example, the receipt of such services, products and/or discounts from a Portfolio Company may influence Peterson's investment decisions presenting a conflict between Peterson's economic interest and what is in the best interests of the Funds.

There are occasions where Peterson may introduce and has introduced a Portfolio Company (or a related person) in which one Fund has invested to a Portfolio Company (or a related person) in which another Fund has invested and such Portfolio Companies (or their related persons) may do and have done business with each other, which may be viewed as a potential conflict of interest. Additionally, as described in Item 10, Peterson or its related persons may cause or recommend and have caused or recommended that a Fund or Portfolio Company use a particular service provider (including related persons of Investors, co-investors, or third parties) for which Peterson or its related persons may obtain and have obtained, for a Fund or Portfolio Company or for Peterson or its related persons, products and services from such service provider. In connection with such referrals of service providers, Peterson or its related persons, the Funds, or the Portfolio Companies may also receive and have received services at no cost or at a discount. Such relationships or discounts may incentivize Peterson to recommend such service providers presenting a conflict between Peterson's economic interest or its interest in maintaining such relationships and what is in the best interests of the Funds (e.g., using high quality or low quality service providers).

There are occasions where Joel C. Peterson loans funds to the PP Adviser and then such funds are dispersed to certain of the Funds for a short period of time. Persons related to Peterson may

provide and have provided loans to Investors. For example, financing may be made to Investors in a new Fund to fund their capital commitments on an expedited basis in order to gain traction in the fundraising process or consummate the purchase of an investment.

Complete fee and other compensation disclosures are provided to Investors in the Funds' Governing Documents. Prospective Investors should carefully review such Governing Documents before investing in the Funds. Further, as noted above in Item 11, Peterson has established a Code of Ethics that sets forth a standard of business conduct that is intended to enable takes Peterson to treat all clients fairly and equitably in keeping with its fiduciary duties.

Peterson has also implemented a "Conflicts of Interest" policy that requires Peterson's investment teams, management, Chief Compliance Officer and if needed, a Conflicts Committee, to review proposed investments and sales in the Funds and other business engagements for potential conflicts of interests prior to the transaction or activity.

As noted herein, Peterson, its employees and their respective related persons (including family members and close personal friends) may invest directly in the Funds. Further, such parties may also make investments in the types of securities and real property that the Funds invest in.

Although not done as a general practice, Peterson or its related persons may, from time to time, also invest in Portfolio Companies. As investors of the same Portfolio Companies (and their related products) in which the Funds invest, such persons may participate in any capital gains (or losses) along with the Funds. Additionally, a third party co-investor or current or prospective investor may have and has had an ownership interest or otherwise an affiliation with a Portfolio Company. The investment by Peterson, its related persons, a third-party co-investor, or current or prospective investor in a Portfolio Company may present a conflict of interest between Peterson's economic interest (including using the investment as an incentive for a current or prospective Investor to invest in current or future Funds) and what is in the best interests of the Funds.

We do not as a general practice recommend that a Fund invest in companies in which we or our affiliates have a material ownership interest. Joel C. Peterson and other affiliates may, from time to time, be gifted founders shares, options, or other interests in a Fund Portfolio Company by the founder of the company prior to the Fund's investment. In addition, as described in Item 12 below, Mr. Peterson owns Search Funds that invest in or identify Portfolio Companies in which the Funds invest.

In situations where actual or potential conflicts of interest between Peterson and its related persons and one or more Funds are identified, procedures contained in each Fund's Governing Documents generally provide for submission of the proposed transaction to an advisory committee for review and resolution. The specific procedures for each Fund are set forth in its Governing Documents.

The following factors may alleviate, but will not eliminate, conflicts of interest between and among Funds and Peterson and its related persons.

- A Fund will not make any investment unless Peterson believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund.
- Many important conflicts of interest may be resolved pursuant to procedures, restrictions or other provisions contained in the Governing Documents of the affected Funds.

It should also be noted that Joel C. Peterson does a large amount of personal investing through his family office. This office invests in various securities including the Funds. The family office investments are varied in nature and include many different types of investment products, from public securities and mutual funds to privately owned ancient Chinese art. The investment strategy is diverse in nature.

ITEM 12 – BROKERAGE PRACTICES

Peterson primarily invests in private transactions that are not executed on an exchange and typically does not utilize stock brokers in carrying out client transactions. Nonetheless, Peterson has utilized business brokers and investment banks in connection with the sale of Portfolio Companies, usually on a limited basis to remove restrictions from the securities and facilitate liquidity in the open market. Peterson may also occasionally utilize brokers in purchasing securities. Any such purchases or sales will be executed in accordance with Peterson’s best execution policy.

Peterson does not utilize “soft dollars.”

Peterson does not receive client referrals in exchange for any brokerage service.

Peterson does not engage in any direct brokerage.

As a fiduciary, Peterson must allocate investment opportunities among the Funds in a fair and equitable manner. It should be noted that it is generally Peterson’s policy to raise and invest only one Fund within a specific investment criteria at a time. However, from time to time certain Funds may have overlapping investment programs including the possibility of a “follow-on” investment where an existing portfolio company investment in a Fund could be considered for new investment in another Fund subject to the investment guidelines of the Governing Documents for each of the Funds. If Peterson determines that it would be appropriate for more than one Fund to participate in an investment opportunity, Peterson will allocate the investment opportunity utilizing the following policy: any investment entity with a current portfolio investment is given the opportunity to protect against dilution and invest up to its diversification / concentration limits (subject to available capital). Any excess will be made available to the most recent investment vehicle. Any investment entity that has previously made an investment in a Search Fund will receive its step-up value and pro-rata allocation of any subsequent Search Fund investment opportunity. Any excess above the pro-rata amount will be made available to the most recent investment vehicle. As necessary, Peterson will also consult with the appropriate Investment Committee(s).

PSP invests in Search Funds that actively look for investment opportunities. These opportunities are often suitable for other Funds. These opportunities will be allocated first to PSP in the

amount of the pro rata share defined by the search fund's Governing Documents. Any additional investment opportunity will be allocated to the Fund whose investment guidelines align with the potential investment subject to the allocation policy described in the preceding paragraph.

Peterson does not generally aggregate purchases or sales of securities for the Funds. As a general matter, the purchase and sale of securities for the Funds generally are not aggregated given that, subject to certain limited exceptions, Peterson typically has, at any particular point in time, only one Fund that is making investments in new Portfolio Companies. In the limited circumstances where more than two Funds own or acquire interests in the same portfolio investment, Peterson evaluates on a case-by-case basis whether aggregating the purchase and sale of securities for the various Funds is appropriate under the circumstances.

Peterson has also implemented a "Conflicts of Interest" policy that requires Peterson's investment teams, management, Chief Compliance Officer and if needed, a Conflicts Committee, to review proposed investments and sales in the Funds and other business engagements for potential conflicts of interests prior to the transaction or activity including conflicts of interests related to allocation of investment opportunities.

ITEM 13 – REVIEW OF ACCOUNTS

The Funds' portfolios are under continuous review. The Funds' portfolios are reviewed by the respective Investment Committee. After investments are made, the Investment Committees remain actively involved with the Portfolio Companies in an effort to ensure and accelerate value creation for the Funds.

Client accounts are reviewed on a continuous basis such that no one factor or group of facts triggers additional review.

Generally, the Funds and all Investors receive the following written reports:

- Annual financial statements which have been audited by independent public accountants.
- Annual tax information necessary for each Investor's tax returns (including K-1s).
- Descriptive information with respect to each new Portfolio Company investment or the occurrence of any material event relating to any previous Portfolio Company investment quarterly.
- Quarterly capital statements
- For the RE Adviser, quarterly reports are delivered to Investors, which include updated quarterly valuations for each investment.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Peterson may engage third parties to refer clients or otherwise act as solicitors with respect to Peterson's investment management business. Peterson does not pay transaction-based compensation to any such third-party finder or solicitor. Any compensation paid with respect to a client referral will be fully disclosed to the affected client(s) consistent with applicable law. All

of Peterson's client solicitation activities are carried out under written agreements and otherwise conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act and relevant SEC guidance.

ITEM 15 – CUSTODY

Peterson and the General Partners are deemed to have custody of the Funds' assets pursuant to Rule 206(4)-2 under the Advisers Act.

As Peterson's investment strategies primarily involve investments in private companies, Peterson generally will be exempt from the requirement that securities be maintained with a "qualified custodian." Peterson anticipates that the majority of its investments in private companies will involve securities that are: (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the Funds; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

The PP Adviser maintains the cash assets of the Funds with The Northern Trust Company. The RE Adviser maintains the cash assets of the Funds with Silicon Valley Bank.

To the extent that Peterson's investments in private companies involve securities that are certificated, Peterson maintains custody of such certificates in compliance with Rule 206(4)-2 by ensuring that: (1) the Funds are subject to a financial statement audit in accordance with paragraph (b)(4) of the custody rule; (2) the private stock certificate can only be used to effect a transfer or to otherwise facilitate a change in beneficial ownership of the security with the prior consent of the issuer or holders of the outstanding securities of the issuer; (3) ownership of the security is recorded on the books of the issuer or its transfer agent in the name of the applicable Fund; (4) the private stock certificate contains a legend restricting transfer; and (5) the private stock certificate is appropriately safeguarded by Peterson and can be replaced upon loss or destruction.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Peterson provides audited financial statements to the Funds and Investors within 120 days of the end of each Fund's fiscal year (i.e., generally by April 30). Investors should carefully review the audited financial statements of the Funds upon receipt.

ITEM 16 – INVESTMENT DISCRETION

Peterson has discretionary authority to manage the Funds. Peterson is authorized to make purchase and sale decisions for the Funds.

As explained in Item 8 above, each Fund's investment strategy is set forth in detail in its Governing Documents. Investors in the Funds do not have the ability to impose limitations on Peterson's discretionary authority, other than limitations set forth in the Governing Documents.

Prospective Investors are provided with a confidential private offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other Governing Documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors should also consult with their legal, tax, or other advisors prior to making any investment. Prospective Investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective Investors in the Funds must execute a limited partnership agreement.

ITEM 17 – VOTING CLIENT SECURITIES

Peterson has authority to vote client securities. Although, based upon Peterson's business as a private equity, real estate and venture capital fund manager (and general lack of involvement in publicly-traded securities) it is not expected that much proxy voting, if any, will occur. Where applicable Peterson has adopted and implemented policies and procedures reasonably designed to ensure that public company proxies as well as Portfolio Company solicitations received by Peterson on behalf of a client (together, "**Proxies**") are voted in the best interests of the Funds and to recognize and resolve any material conflicts of interest that may arise in the course of such voting.

Peterson will vote Proxies in the best interests of the relevant Fund. Prior to any voting of proxies, the Chief Compliance Officer, with the assistance of other relevant personnel, will determine whether Peterson has a conflict of interest which would affect the Proxies being voted. If a material conflict is found to exist, Peterson will not vote the Proxies and the Chief Compliance Officer will determine whether the conflict of interest should be presented to the Conflicts Committee, refer the matter to Funds and recommend that they vote the Proxies themselves or address such conflict in another matter. It is expected that majority of all Proxies will be voted by Peterson.

Investors do not have the ability to direct Proxies. Investors may obtain additional information regarding how Peterson voted Proxies and may obtain a copy of Peterson's proxy voting policies and procedures by contacting Eric Noble, at 801.417.0748.

ITEM 18 – FINANCIAL INFORMATION

As an advisor firm that maintains discretionary authority for the Funds, Peterson is required to disclose any financial condition that is reasonably likely to impair the ability to meet contractual obligations. Peterson is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds.