

Part 2A of Form ADV: *Firm Brochure*

PARTNERS FOR GROWTH MANAGERS, LLC

1751 Tiburon Blvd
Tiburon, Ca. 94920
Telephone: 415-912-5898
E-mail: kathy@pfgrowth.com

March 28, 2019

This brochure provides information about the qualifications and business practices of Partners for Growth Managers, LLC. As used in this brochure, "PFG", "we," "our," and "us" refers to Partners for Growth Managers, LLC, Partners for Growth II, LLC, Partners for Growth III, LLC, Partners for Growth IV, LLC, and Partners for Growth V, LLC. If you have any questions about the contents of this brochure, please contact us at 415-912-5898 or at kathy@pfgrowth.com.

The information provided in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Reference made to PFG as a registered investment adviser does not imply any particular level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services.

Additional information about PFG is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for PFG is 163495.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

There have been no material changes to PFG's Firm Brochure since our most recent annual updating amendment filed on March 29, 2018.

Item 3 Table Of Contents

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

Item 4 Advisory Business

PFG is an SEC-registered investment adviser with its principal office and place of business in Tiburon, California. PFG was formed in April 2004, though the predecessor company was started in 1983 when Don Campbell, a co-founder of PFG, then co-founded Hambrecht & Quist's specialty lending group, which became Hambrecht & Quist Guaranty Finance ("HQGF"). Andrew Kahn joined HQGF in 1991. In 2004, Andrew Kahn and Don Campbell (hereinafter collectively "the Founding Members") formed Partners for Growth Managers, LLC and the first of the private funds managed by the firm over the years. The Founding Members remain the firm's principal owners.

PFG provides investment management services solely to the private secured debt funds described below (hereinafter collectively, "the Funds" or "the PFG Funds"). Unlike other types of private funds, such as hedge funds, PFG's private debt funds receive capital commitments from investors during a fundraising stage, and then the Funds are closed to new investors. From time to time thereafter, the Fund's General Partner, one of our affiliates, will notify investors to make capital contributions, in proportion to their respective commitments, to enable the fund to make investments. Prior to each capital call, the investment will have been identified and fully vetted through an extensive due diligence and negotiation process.

PFG Funds

PFG currently provides investment management services to the following private secured debt funds:

- Partners for Growth II, L.P. ("PFG II"), vintage year 2006
- Partners for Growth III, L.P. ("PFG III") vintage year 2010
- Partners for Growth IV, L.P. ("PFG IV"), vintage year 2013
- **Partners for Growth V, L.P. ("PFG V"), vintage year 2017**

The PFG Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. PFG manages the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

PFG Funds generally, but not exclusively, provide secured loans to technology and life science companies, and purchases warrants and/or, stock and rights to purchase stock.

ASSETS: As of December 31, 2018, PFG had approximately \$417,896,306 in gross discretionary assets under management. PFG does not manage any assets on a non- discretionary basis.

IMPORTANT ADDITIONAL CONSIDERATIONS: The information provided herein merely summarizes the detailed information provided in the Fund's offering and organizational documents. PFG may launch additional private funds in the future. Such funds may have the same, similar or a different structure, objectives or strategies as the Funds. This and other detailed information are provided in the appropriate Fund offering and organizational documents.

Item 5 Fees and Compensation

For our services to the Funds, we charge a management fee as described below. In addition, each Fund's General Partner, affiliates of PFG as defined at Item 10 of this Brochure, will receive a form of performance-based compensation, as described below. (Capitalized terms shall have the meanings provided in the applicable Fund's offering documents).

- Management fees will be paid quarterly, in advance, out of current income or investment proceeds of the Funds and, to the extent necessary, from drawdowns of capital. Each Fund will pay PFG an annual management fee: (i) during the period from the Investment Commencement Notice Date and ending at the conclusion of the Reinvestment Period. PFG II, PFG III & PFG IV will pay at the rate of 2.0% per annum of Capital Commitments and PFG V will pay at the rate of 2.0% per annum of up to \$200,000,000 in aggregate Capital Commitments; (ii) thereafter, 2.0% of the Net Asset Value of the Fund as defined in the applicable Fund offering documents.
- Performance based fees are allocated once a Hurdle Return has been attained for all of the Fund's Partners as set forth in the applicable Fund's limited partnership or similar agreement and/or private placement memorandum. Subject to the applicable General Partner's obligation to return funds to Fund investors, as well as the achievement of a minimum Hurdle Return, each Fund, as applicable, will allocate 20% of their net profits to the General Partner. Performance based fees are discussed in further detail in Item 6.
- PFG Managers, PFG V and Partners for Growth V, LLC have entered into a strategic business cooperation agreement with Silicon Valley Bank. Under this arrangement, Silicon Valley Bank has agreed to certain service obligations in exchange for 15% of the carried interest payable to Partners for Growth V, LLC.

Investors should refer to the appropriate limited partnership agreement and/or private placement memorandum for detailed information regarding fees and expenses related to investment in a Fund. It is also important to note that any new fund launched by PFG may have the same, similar or materially different terms than those summarized below.

GENERAL INFORMATION:

Participation Agreements: With respect to PFG III and PFG IV, PFG has entered into participation agreements with Silicon Valley Bank and its parent company, SVB Financial Group (hereinafter, "SVB"). For a separate consultation fee, these arrangements permit SVB to review each deal and, at its own discretion, participate in selected deals alongside these Funds up to a specified amount. SVB was also the largest investor in PFG I (dissolved in 2015) and PFG II. It is anticipated that a significant portion of the Funds' investment opportunities may be sourced from SVB's many sales officers.

Affiliate Investments: PFG Equity Investors, LLC ("PEI"), an affiliate of PFG, is entitled to purchase 12% of any warrants, stock and other derivatives (but not convertible debt) acquired by SVB in connection with its discretionary participation in PFG III and PFG IV deals, at SVB's cost, and PEI will receive an allocation of 12% of SVB's income from participations (other than income from derivatives purchased by PEI).

In addition, the General Partner of each Fund will generally participate in the Fund's investments by investing directly in the Fund. The General Partners for the Funds are affiliated with PFG through common ownership and control as well as shared executive officers including PFG's Founding Members.

Potential for Overlap with Principals' Investments: PFG will not exclude from consideration investment in a company in which the Founding Members, executive officers or other affiliated persons of PFG have previously, directly invested capital or provided financing at an earlier stage of the company's development. Such investments shall be subject to Advisory Board approval. (See also Item 11 of this Brochure).

Co-Investments: In general, PFG does not provide financing or otherwise seek to invest on behalf of the Funds in excess of uncalled capital available through the applicable Fund(s) or its line of credit.

To provide financing in excess of uncalled capital, co-loan/co-investment opportunities could be offered to certain Fund investors, their affiliates or third parties. As set forth above, pursuant to certain participation agreements, SVB has a discretionary right to participate alongside of investments made on behalf of PFG III and PFG IV up to certain specified caps. Should SVB pass on any such opportunities, in PFG's sole discretion, the Firm may determine to extend the co-investment opportunity to certain other Fund investors that have negotiated the right, through side letter arrangements or otherwise, to be notified of such co-investment opportunities and, as appropriate, to co-invest. Any co-investment opportunity offered by PFG to a Fund investor, an investor's affiliate or a third-party will be offered only when in the best interests of the Funds.

Clawbacks: Each Fund's General Partner will be subject to a look-back contribution obligation in the event of over distributions to the General Partner pursuant to the terms of the applicable Fund's limited partnership agreement.

Lock-Up: Except as may be otherwise set forth in the Fund's offering documents, an investor in any of the Funds may not rescind any part of its capital commitment or otherwise withdraw from the Fund. Private fund investing is for those who can afford to have capital locked up for long periods of time and who are able to bear the risk of significant losses.

Investors in the Fund should refer to the applicable Fund's limited partnership agreement and offering documents for complete information regarding lock-ups and penalties or other consequences for failure to observe capital calls made by the Fund.

Side Arrangements: Fund investors subject to ERISA (as well as investors subject to similar state laws) have a limited right to withdraw from the Fund if continued participation by such investors would violate such laws. PFG or the Fund's General Partner, as appropriate, may in the future, waive or modify certain terms of investment for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, co-investment opportunities or more frequent or varied formats or modes of portfolio reporting.

Other Fees and Expenses: In accordance with the terms of each Fund's offering documents, each Fund was responsible for the legal, accounting and other organizational expenses related to the offering.

Investors in any new fund launched by PFG should refer to the offering document for such fund for information regarding the extent to which organizational expenses will be incurred by the fund. No fund will be responsible for or otherwise incur any percentage of the organizational expenses of any other funds.

In addition to the organizational expenses of the respective Funds, each Fund shall also bear all costs incurred in connection with operation of its business, including those costs associated with holding or sale of securities, legal (litigation and otherwise), audit, and tax preparation fees, bank fees, costs of appraisers, trade association dues (if applicable), cost of Fund meetings, and 85% of liability insurance premiums (**the other 15% shall be** charged to the management company).

No Market for Partnership Interests; Restrictions on Transfer: The sale of Fund interests has not been registered under the Securities Act or under any state securities laws, and therefore the shares cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws, or an exemption from such registration is available. There is no public market for Fund interests and none is expected to develop. Moreover, pursuant to each Fund's Partnership Agreement, Fund interests are not generally transferable. Therefore, an investment in the Funds should be

considered illiquid. In addition, the inability to transfer Fund interests may limit the availability of certain estate planning strategies. Prospective investors in any new Fund launched by PFG should not invest unless they are prepared to retain their Fund interests through the term of the Fund.

General: Investors in the Funds and prospective investors in any new fund launched by PFG or its affiliates should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Fund(s).

Item 6 Performance-Based Fees and Side-By-Side Management

As discussed in Item 5 of this Brochure, each Fund's General Partner, an affiliate of PFG through common ownership and control, is entitled to receive performance-based compensation from the Fund in accordance with the terms and conditions of each Fund's limited partnership or similar agreement. Such a performance-based compensation is calculated based on a share of aggregate realized profits of the Fund (subject to achieving a preferred return on invested capital as set forth in the applicable Fund's offering documents).

Investors in the Funds, and prospective investors in any new Fund launched by PFG, should note that performance-based fees, in some contexts, could create an incentive for an adviser such as PFG to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, the nature of secured debt financing reduces this risk because the performance based fees are earned on the basis of realized, rather than unrealized, income and gains.

Investors in the Funds are "qualified clients" as defined under Rule 205-3 of the Advisers Act of 1940. At this time, we do not offer advisory services to clients who do not pay performance-based compensation, and therefore, we do not have an incentive to favor performance-based fee accounts over non-performance-based fee accounts. However, in theory, we could have incentive to favor a Fund in which officers and employees of the Firm and General Partner may have more of their personal assets invested. This risk is primarily mitigated by the terms of each Fund's limited partnership or similar agreement, which requires that we have substantially (though not necessarily entirely) completed the investment phase of one Fund before the launch of a new Fund with similar investment goals and objectives.

As a matter of policy and practice, we endeavor at all times to put the interest of the Funds first.

Item 7 Types of Clients

Currently, we provide investment advisory services solely to the Funds.

Except as permitted by us or the applicable General Partner, in accordance with the applicable Fund's subscription documentation, the minimum required capital commitment to the Funds is \$250,000 which may be waived at our, or the General Partner's, sole discretion.

Because interests in the Fund and any new fund launched by PFG were and will be offered pursuant to certain exemptions from registration under the Securities Act of 1934 and the Investment Company Act of 1940, any investor or prospective investor in a Fund managed by PFG must meet certain minimum qualifications requirements as set forth in the applicable Fund's subscription documents.

Prospective investors in any new Fund launched by PFG should refer to the appropriate Fund offering documents for information regarding that Fund's minimum required capital commitment and any additional qualifications required for investment.

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

As adviser to the Funds, we rely on a robust due diligence process in determining which companies to invest in on behalf of the Funds. PFG invests (or has invested) each Fund's assets by providing debt financing primarily to technology and life sciences companies that are underserved and underfinanced by traditional financing sources, where there is less competition and for which PFG's custom debt products allow for premium returns to be achieved. These are typically the opportunities that attract less deal competition and require more innovative financing. Our investing approach means that the types of deal structures, collateral and/or industries may change from time to time. A significant portion of investment opportunities are sourced by SVB's many sales officers.

Through our analysis of opportunities, we seek to identify companies that have the potential to generate significant gains from equity participation rights often obtained through financing deals (warrants, convertible debt and stock). We seek to structure financing so that the principal amount outstanding under any loan is protected by a combination of the borrower's cash flow and the residual value of the borrower's assets.

Our strategy requires that we diligently manage investments so that surprises are minimized and risks are addressed early and vigorously through on-going monitoring. Should market conditions dictate prudence, our discipline requires that we remain poised on the sidelines ready to act when conditions improve.

In addition to the value of a prospective portfolio company's technology and assets, our analysis includes an assessment and understanding of its capabilities, track record, current status and the support of its key stakeholders, management, investors, board leadership and other lending and financing partners.

Risks Associated with Analysis and Strategy Employed

Current Fund investors and prospective investors in any new fund launched by PFG should be aware of the substantial risks associated with investment.

Investment in the Funds involves a number of significant risks. In addition to the risks described below, investors in any of the Funds and prospective investors in any Fund launched by the firm in the future should also consider the risks and other factors described in the appropriate Fund's Private Placement Memorandum.

Unspecified Investments: Fund investors must rely upon the ability of PFG in identifying, structuring and implementing investments consistent with each Fund's investment objectives and policies. There can be no assurance each Fund will achieve its investment or performance objectives, including the location of suitable investment opportunities and the achievement of targeted rates of return. On any given investment, the possibility of partial or total loss of a Fund's capital exists.

No assurance can be given that PFG will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Funds' investments, that the Funds will be successful in obtaining suitable and sufficient investments or that, if such investments are made, the objectives of the Funds will be achieved.

Reliance on SVB Transaction Flow: As disclosed above, a significant portion of the Funds' business opportunities have been sourced from SVB's many sales lenders/officers. Although PFG does not anticipate this transaction flow significantly decreasing, and any decrease would be counterproductive to SVB's intentions under the participation arrangement with **PFG III** and **PFG IV**, there is no obligation

on the part of SVB to continue to feed transaction flow to PFG, its principal incentive being the benefit currently enjoyed by SVB in being able to better serve its clients by offering products through PFG that SVB, for a variety of reasons, cannot offer on its own. If SVB's strategic interest changes or for any other reason and SVB ceases to provide deal flow to PFG, the pace of investment would likely decrease. A decrease in deal flow would mean that the Funds still investing would likely take longer to build a diversified portfolio of investments.

Reliance on Management of the Funds; PFG will make decisions with respect to the management of the Funds. The success of the Funds will depend on the ability of PFG to identify and consummate suitable investments. The Funds will have broad discretion in making investments, which generally will include investments in debt obligations and other securities that have significant risks as a result of business, financial, market or legal uncertainties. The loss of the services of one or more of the key persons could have an adverse impact on the Funds' ability to realize their investment objectives.

PFG has secured limited insurance on Andrew Kahn, a key person, in its favor and that of its employees.

Risk of SVB Termination or Non-Participation: SVB has the right to terminate their Loan and Investment Management and Servicing Agreement (the "SVB Agreement") with PFG for cause, including if either Don Campbell or Andrew Kahn should cease to provide services to PFG (for any reason). Termination of the SVB Agreement and/or SVB determining not to participate in individual transactions may have a detrimental short-term effect on the Funds and its prospects and, if PFG were unable to otherwise efficiently source capital (e.g., another strategic relationship), the long-term prospects of the Funds, including its overall scale, may suffer. In addition, the members of the General Partner may have demands on their time from existing business activities, or for the investment, monitoring and other functions of other investment funds that are organized in the future by PFG.

The SVB Agreement and related Master Participation Agreement have been amended, as follows: (1) to clarify that the SVB Entities may decline to participate in any PFG loan transaction, including follow-on loans and protective advances to an existing PFG borrower, the loan in which the SVB Entities previously participated ("Follow-on Advances"); and (2) with respect to Follow-on Advances that PFG determines to be "protective" of an existing loan position (as distinct from an advance that is evaluated as a new loan opportunity to an existing borrower based upon anticipated return, rather than primarily to enhance the likelihood of being repaid on the existing loan) and in which the SVB Entities decline to participate, such PFG Follow-on Advances up to a maximum of 15% of the principal obligations owed by such borrower will enjoy seniority and priority in repayment to the prior loans for such borrower in which the SVB Entities participated.

Credit Risk of Investments: It is expected that loans made by the Funds generally will be repayable over terms of 12 to 60 months. These loans will be subject to, among other risks, credit risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. PFG generally loans money to companies in amounts and under terms that do not qualify for credit from banks and other traditional financing sources. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, the lack of or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. In some instances, the additional amounts of financing which may be required by a portfolio company to repay its obligations to the Funds may not be available. There can be no assurance that a portfolio company will have sufficient cash flow from operations or capital resources to satisfy its loan obligations to the Funds as they become due. Nor is there any assurance that collateral taken by the Funds to secure repayment of such loan obligations will have realizable value sufficient to satisfy such obligations.

Projections: The Funds may rely upon projections, forecasts or estimates developed by PFG, PFG's managers, consultants retained by PFG or PFG's managers, or by a portfolio company concerning the portfolio company's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements and are based upon various assumptions. Actual events are difficult to predict and beyond the Funds' control. Actual events may differ from those assumed. Some important factors that could cause a portfolio company's actual results to differ materially from those in any forward-looking statements include the domestic and foreign business environment, the market, financial or legal conditions. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than those estimated. Projections are inherently subject to uncertainty and factors beyond the control of PFG and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

Focus on High-Growth Technology Companies: The Funds' investments will be targeted generally at rapid growth technology and life sciences companies.

The industries in which these companies compete are subject to continuous technological change and investments in these companies pose unique risks. For example, these companies may not have viable products or services, may not have a proven operating history or proven management, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.

The portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel. These portfolio companies may also have difficulty protecting their intellectual property, and such companies' pending or future patent applications may be challenged, denied or invalidated.

Competitive companies could bring costly and disruptive patent infringement actions against the portfolio companies, and such companies may not have the financial resources to enforce some or all of their patent rights. In the case of life sciences companies, the portfolio companies' products, development activities and manufacturing processes will, in many cases, be subject to extensive regulation by the FDA, and the process of obtaining marketing clearance from the FDA for new products or product enhancements could be costly and time-consuming. In addition, these portfolio companies may be subject to product liability claims, which may harm their business, financial condition and results of operations.

Risks in Competitive Market Environment: During periods of increased competition, such as an environment of rising valuations and large inflows of capital to venture lending (as was seen in the late 1990's technology bubble and in 2006-2007), rather than compromise its adherence to guiding principles, PFG may be forced to adapt its loan structure, reduce its pace of investing, or look to increase its activities in other overseas markets where there is less competition. There can be no assurance that the Funds will be able to source transactions within its investing principles in jurisdictions in which it currently evaluates loan transactions and may have to slow investment pace or review new strategies.

Risks Associated with Equity Investments, Including Equity Derivatives(e.g., Warrants): Although the Funds' investment strategy is focused on debt instruments, a portion of the Funds' capital is expected to be invested in equity securities, primarily as an equity participation right (i.e., a warrant)

but also in some instances as a stand-alone equity investment in selected existing or former portfolio companies ("Equity Investments"). Equity Investments in portfolio companies may not be sold until several years after they are made, if at all. The ability to realize gains on these investments depends not only on the portfolio company and its historical results and prospects, but also on political, market and economic conditions.

Fluctuations in the market prices of securities may affect the value of the investments held by the Funds and instability in the securities markets may increase the risks inherent in the Funds' investments. It is anticipated that all or a substantial portion of the Funds' Equity Investments will consist of securities that are subject to restrictions on resale by the Funds because they were acquired in a private placement transaction. In addition, the trading market for the equity securities of any portfolio company may not be sufficiently liquid to enable the Funds to sell such securities when it believes it is most advantageous to do so, or without adversely affecting the price thereof. Generally, the Funds will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited resales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, the Funds may be deemed to be an underwriter, or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under the Securities Act.

Often the Funds are required to enter into shareholder (or comparable) agreements providing that the Funds will vote securities, if it holds voting securities, with the majority investor and sell its investment at the times at which, and on the terms upon which, the majority investor sells its securities and otherwise limiting the transferability of the Funds' investments. In addition, practical limitations may inhibit the Funds' ability to liquidate certain of its investments in portfolio companies since these companies are typically privately held. There will be either no marketplace or a limited marketplace for the equity securities of a private portfolio company and the realization of the success of the investment may require the securities to be sold to other private investors or in a public offering, or for the portfolio company to be acquired. There can be no assurance that any of these types of transactions will take place with respect to a particular investment.

The public and private market valuation of securities of companies engaged in industries in which the Funds will concentrate its investments is extremely volatile. This volatility can increase the Funds' risks associated with direct investments in equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular types of issuers or issuers in particular industries. The above limitations, among others, could prevent the Funds from selling securities held in portfolio companies, result in a delay of any such sale or reduce the amount of proceeds that might otherwise be realized.

Risks Associated with Liquidations or Bankruptcy Proceedings Affecting Portfolio

Investments: In the event that one or more of the Funds' portfolio companies is the subject of a voluntary or involuntary liquidation, dissolution, winding-up or bankruptcy proceeding, the Funds' investment may be materially adversely affected and the Funds may lose some or all of the capital that it invested in that company. The liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. In addition, any such proceedings are likely to result in additional costs to the Funds and are likely to divert the time and attention of the Managers away from sourcing, closing and managing the Funds' investments. Many events in a bankruptcy are the product of contested matters and adversarial proceedings and are beyond the control of the creditors and the duration of a bankruptcy proceeding is difficult to predict.

In certain circumstances the priority (with respect to security) of the Funds' investment may not be respected. For example, certain claims, such as for taxes, may have priority by law over the claims of other creditors. In addition, the administrative costs associated with a bankruptcy proceeding are

frequently high and are paid out of the debtor's estate prior to any return to creditors. Due to the length of a typical bankruptcy proceeding, even if the portfolio company is able to emerge from bankruptcy, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity.

Various federal and state laws enacted for the protection of creditors may apply to investments of the Funds by virtue of the Funds' role as a creditor with respect to such investments. A court, in a lawsuit brought by an unpaid creditor or representative of creditors of a portfolio company, may, under certain circumstances, invalidate, in whole or in part, any such indebtedness and any security interest or other lien securing such investment as a fraudulent conveyance. A court may also subordinate such indebtedness to existing or future creditors of the portfolio company or order the recovery of amounts previously paid by the portfolio company (including amounts paid to the Funds) in satisfaction of such indebtedness or amounts representing proceeds of a security interest or other lien previously applied in satisfaction of such indebtedness. Payments made on an investment are avoidable as a preference if made within a certain period of time (which may be as long as one year) before insolvency of the portfolio company. In general, if a payment on an investment is avoidable, whether as a fraudulent conveyance or a preference such payment can be recaptured either from the initial recipient (such as the Funds) or from subsequent transferees of such payment, including the Funds' investors.

A number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Funds' investments, the Funds could be subject to allegations of lender liability (and therefore incur costs of defense whether or not such allegations are unfounded).

If the trend towards lending in non-U.S. jurisdictions that was initiated in PFG II and increased in PFG III continues, Fund IV and any new Fund launched in the future may experience a loan collection or other enforcement proceeding in such non-U.S. jurisdictions. Although PFG and its affiliates believe (based on foreign legal counsel advice) that the laws of such non-U.S. jurisdictions provide lender protections akin to or no less than those afforded lenders in the United States, there can be no assurance that this will be the case. It is also possible that the costs associated with enforcement may exceed those experienced in the United States.

Passive Nature of Investments: The Funds will not have an active role in the day-to-day management of the portfolio companies. As a result, the returns of the Funds will primarily depend on the performance of the board and managers of the portfolio companies and other investment managers and could be substantially adversely affected by their unfavorable performance. Although the Funds will have control over its selection of investments, the investment relationship with its portfolio companies will largely be passive after the investment is made. As a result, the Funds will generally have little or no control over the management or operations of its portfolio companies.

Financial Market Fluctuations: Investments in many industries have experienced significant volatility over the last several years, and especially in more recent months. Continued volatility in political, market or economic conditions, including an outbreak or escalation of major hostilities, declarations of war, terrorist actions or other substantial national or international calamities or emergencies, could have a material adverse effect upon the Funds and its portfolio companies. Although dire conditions in the financial markets work to the advantage of the Funds in deal flow and transaction terms, the

uncertain markets for ultimate liquidity transactions (e.g., IPO, merger) tend to limit the liquidity options available to portfolio companies and, therefore, the returns on the equity portion of PFG portfolio company investments.

Foreign Currency Fluctuations: PFG is seeing increasing opportunities in international markets, and as a result has been able to diversify from the US dollar by providing financings to the underserved markets overseas, in particular Australia, where there is less competition. Although, in the Manager's view, the risk-reward characteristics in the companies it finances overseas are as attractive and often with lower credit risks than their US counterparts, currency exchange rates can be very volatile and there is the possibility that currency fluctuations may cause foreign exchange losses associated with the loans PFG provides. In addition, because of the uncertainty of the timing of repayment of PFG's loans, it is difficult to hedge such currency exposure.

Leverage Risks: The Funds may borrow funds from time to time for the purpose of financing the Funds' operations and investments. This borrowing will take the form of borrowings from SVB, secured by all of the Funds' assets, including but not limited to the Funds' loans, equity and derivative equity interests in portfolio companies, and unfunded Capital Commitments of each Fund's investors. With respect to any Fund borrowings that are secured by the assets of the Funds, there is risk that if the Funds were to be in default under such loans, the assets and investments of the Funds would be at risk of loss and the unfunded Capital Commitments of Fund's investors would be subject to being called as part of the secured party's collateral.

The Funds' Investment Flexibility May Be Constrained by Confidentiality Concerns: The Funds will often be required to enter into confidentiality agreements with portfolio companies that may prohibit the Funds and permitted discloses from disclosing sensitive information relating to such portfolio companies.

These arrangements could result in liabilities for the Funds, in particular if a Fund investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act or other similar state or local laws, publicly discloses such information in response to an information request or otherwise. The Funds may choose, but is not required, to decline such investment opportunities in order to avoid the risk of exposing the Funds to such liability. As a result, the Funds' investment flexibility may be constrained by these concerns, which may affect PFG's ability to broaden the Funds' investment portfolio, which in turn may adversely impact the aggregate returns realized by Fund investors as a result of the unfavorable performance of a smaller number of investments.

Risks in General

The Funds' investments are not guaranteed and investors in the Fund's may lose money. Investors in the Funds or prospective investors in any new fund launched by the firm should carefully consider the detailed explanation of the many risks associated with investment as provided in the appropriate fund's offering memorandum.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

PFG is related, through common ownership and control, to the Delaware limited liability companies, Partners for Growth II, LLC, General Partner to PFG II, Partners for Growth III, LLC, General Partner to PFG III and Partners for Growth IV, LLC, General Partner to PFG IV, and Partners for Growth V, LLC, General Partner to PFG V, (referred to collectively as "the General Partners").

As set forth at Items 5 and 6 of this Brochure, the General Partners are entitled to receive a share of the Funds profits, as applicable, pursuant to the terms and conditions set forth in each Fund's offering documents. Since the Founding Members and certain other associated persons of PFG are also members of the General Partners, which are invested in the Funds, these dual roles could give rise to potential conflicts of interest as PFG seeks to launch new funds where a new general partner to such funds may be differently comprised, unrelated to PFG or subject to different levels of participation in such new fund. In addition, as disclosed at Item 5 of this Brochure, PFG will not exclude from consideration investment in a company in which the members or other affiliated persons of PFG have previously, directly invested capital or provided financing at an earlier stage of the company's development. Therefore, it is possible, from time to time, that related persons will have an interest or position in certain companies which may also be recommended to the Fund.

PFG Equity Investors, LLC ("PEI") is related to PFG through common ownership and control. The Founding Members and other associated persons of PFG are also members of each General Partner and of PEI.

PEI is entitled to purchase a percentage of any warrants, stock and other derivatives (but not convertible debt) acquired by SVB in connection with its discretionary participation in Funds III and IV deals, at SVB's cost, and will receive an allocation of a percentage of SVB's income from participations (other than income from derivatives purchased by PEI). Any such allocation will ultimately inure to the benefit of the members of the General Partners and PEI as applicable.

In addition to being a Founding Member of PFG, Andrew Kahn is also a director of Cats Solutions, a private United Kingdom company. Founding Member, Don Campbell, in his separate capacity, is also Managing Member and Founding Member of Guaranty Finance Management, LLC, manager to Guaranty Finance Investors, LLC ("GFI") a private, pooled investment vehicle investing in the equity interests of companies internationally, and is Managing Member of GFI. PFG does not invest Fund assets in, nor is there any overlap in investments or the investment universe of the Funds and GFI. Mr. Campbell also sits on the board of Moneda Chile, a publicly traded company listed on the Bermuda Stock Exchange (BSX). Andrew Kahn and Don Campbell are members of China Equity Investors, LLC, a Delaware limited liability company with a majority ownership in China Equities HK Ltd, a Hong Kong based company that purchases equity warrants of companies whose main operations are in China.

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

PFG has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients, prospective clients, investors and prospective investors in the Fund upon request to the Chief Compliance Officer.

PFG has established the following restrictions in order to ensure our fiduciary responsibilities:

1. No Founding Member, member of a General Partner, officer or employee of our firm may prefer his or her own interest to that of the Funds. It is the expressed policy of our firm that no person employed by us may usurp an investment opportunity which may be appropriate for the Fund without first presenting the opportunity to the Investment Team, particularly when there is limited availability for participation in the opportunity.
2. PFG has adopted written policies and procedures reasonably designed to ensure fair allocation of investment opportunities among the Funds and any future Funds launched by the firm. Such allocations shall not be based on the potential for greater personal gain by any related person due to the size of a fund or the related person's direct or indirect personal investment(s) in such funds or disparity of personal investments in such funds.
3. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
4. All of our Founding Members, member of a General Partner, officers and employees must act in accordance with applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

As a matter of policy, neither PFG, nor any individual associated with our firm, may engage in principal transactions. Similarly, PFG and individuals associated with our firm are prohibited from engaging in agency cross transactions. (A principal transaction occurs when our firm or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. An agency cross transaction occurs where our firm acts as an investment adviser in relation to a transaction in which any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction).

Item 12 Brokerage Practices

PFG, directly or in conjunction with the Fund's General Partner, is responsible for all parts of the investment cycle including deal sourcing and origination, investment decision-making, deal negotiation, transaction structuring and portfolio management (the act of overseeing the investments that we have made). As disclosed at Items 5 and 8, we anticipate that a significant portion of the Funds' investment opportunities may be sourced from SVB. PFG will typically make direct investments on behalf of the Fund in privately-held companies. Rarely will the Fund acquire securities of publicly traded companies except when exercising warrants, options or convertible securities which give the firm the option of participating in a privately held portfolio company's initial (and/or secondary) public offering, or by merger/acquisition of a portfolio company by a public company which includes such public company's stock as merger proceeds.

As disclosed at Items 4 and 8 of this Brochure, PFG will primarily invest the Funds' committed capital generally, but not exclusively, by providing secured loans to technology and life science companies, and purchasing warrants and/or, stock, rights to purchase stock, and secured convertible debt. As transactions are generally entered into with portfolio companies that are privately held, and each deal is directly negotiated by PFG or its affiliates, broker dealers are not typically sought out, engaged or otherwise involved in these transactions.

Because investments made on behalf of the Funds include secured loans, warrants and/or rights to purchase stock, as well as convertible debt, the Funds may seek to exercise the rights afforded through these instruments to participate in a portfolio company's initial (and/or secondary) public offering. Under these circumstances, a Fund will hold publicly-traded securities which it will eventually seek to sell at a profit. When exiting these positions, PFG will typically engage a broker dealer to assist in the sale. PFG has been granted the authority to determine the broker dealer through which to place any such trade by the General Partners. Under these circumstances, we endeavor to select those brokers or dealers which will provide the best services at the lowest prices and commission rates possible under the circumstances. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help us in providing investment management services to clients.

Due to the nature of private debt fund investing, PFG will not typically aggregate transactions among more than one Fund. However, if it is ever appropriate for two or more Funds to dispose of the same securities, PFG will generally aggregate such transactions on a pro rata basis with each Fund receiving the average price. As disclosed at Item 5 of this Brochure, PFG or the General Partners may make co- loan/co-investment opportunities available to the investors and their affiliates as appropriate and in the best interest of the Fund.

As a matter of policy and practice, PFG does not have any formal or informal soft dollar arrangements nor do we receive any soft dollar benefits from any broker, dealer or other counterparty.

Item 13 Review of Accounts

PFG monitors the portfolio companies of the Funds on an ongoing basis. The Investment Team will approve all portfolio investments and dispositions and will be actively involved in analyzing each investment and reviewing those investments, including portfolio company financial status and loan payments, on an on-going basis.

The Investment Team generally meets at least once per week to evaluate potential new investment opportunities. The Investment Team also generally meets at least once per month to review portfolio companies and the firm's ongoing monitoring activities in the context of the Fund's investment objectives and guidelines. Andrew Kahn, Jason Georgatos, Philip Lawson, Geoff Allan, and Armineh Baghoomian serve as the members of the Investment Team for the Funds.

Each Fund's investors will receive, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements audited by the Fund's independent auditors as well as such tax information as is necessary for each investor to complete federal and state income tax or information returns, along with any other tax information required by law.

In addition, investors in the Fund will receive unaudited financial statements as set forth in the appropriate Fund's offering documents.

Item 14 Client Referrals and Other Compensation

PFG does not receive economic benefits from non-clients for providing investment advice or other advisory services.

PFG Managers intend to engage or cause the Fund to engage one or more business brokers on a non-exclusive at-will basis in Australia to provide introductions to prospective commercial borrower / customers of the Fund. It is anticipated that PFG Managers will cause the Fund to contribute towards the fees payable to such business brokers in an amount equal to one quarter of the cash commitment fees that the Fund typically charges its borrowers at the closing of loan transactions, payable promptly following the closing of transactions sourced by such business brokers. PFG Managers anticipates that no fees would be paid to business brokers other than in respect of closed loan transactions. PFG Managers may consider or engage in similar arrangements in the future in other overseas markets.

PFG may engage placement agents to assist with investor referrals. Arrangements will be documented in writing and will include the following:

- A description of any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent
- A description of the services to be performed by the Placement Agent
- A statement whether the Placement Agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar state regulatory agency, or any similar regulatory agency in a country other than the United States, and the details of that registration or explanation as to why no registration is required.

Item 15 Custody

Because we act as investment adviser to the Funds and are affiliated with each Fund's General Partner through common ownership and control, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody on this basis, we will seek to have the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We will send the audited financials resulting from such audits to each Fund investor within 120 days of the applicable Fund's fiscal year end by loading it to the investor portal with an email notification or hard copy by request.

Item 16 Investment Discretion

As investment adviser to the Funds, PFG is granted the discretionary authority from the applicable General Partners to vet and select portfolio companies and to structure financing including the amount of any loan and/or other securities, as well as the terms and structure of such investments.

Item 17 Voting Client Securities

Because the Funds transact primarily in secured loans to private companies, purchases warrants and/or rights to purchase stock, as well as convertible debt, PFG rarely is required to vote proxies. Under very limited circumstances, however, PFG may be required to vote proxies solicited by portfolio companies. When this occurs, PFG will generally seek to vote proxies in the best interests of the Fund, with the goal of maximizing value for the Fund and the investors in the Fund. To that end, PFG endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Fund's investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Investors cannot direct PFG's vote.

From time to time, as a condition for participating in or acquiring any particular investment, the Funds may enter into shareholder (or comparable) agreements. These agreements typically provide that the Funds will: (a) vote securities (if it holds voting securities) with the majority investor and sell its investment at the times at which, and on the terms upon which, the majority investor sells its securities; and (b) otherwise limit the transferability of the Funds' investments. At the time of investment, PFG will consider whether these agreements are in the best interests of the Funds and if the restrictions outweigh the benefits of participating in the investment. PFG will only enter into these agreements when PFG anticipates that the overall benefits of the investment will, over time, outweigh the required restrictions. However, PFG cannot predict the future, and there may be circumstances in which these agreements require PFG to act in concert with the majority investor in a way that, depending on the circumstances, may not be in the best interests of the Funds at the time of the vote.

PFG's complete proxy voting policy and procedures has been memorialized and is available for investors to review upon request. Investors may request, in writing, information on how proxies for their respective Fund's shares were voted. If any investor requests a copy of PFG's complete proxy policies and procedures or how PFG voted proxies for their respective Fund, we will promptly provide such information to the investor.

Item 18 Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, therefore, we are not required to include a financial statement with this Brochure.

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