

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

PEAK ROCK CAPITAL LLC

**13413 Galleria Circle, Suite Q-300
Austin, TX 78738
<http://www.peakrockcapital.com/>**

March 29, 2019

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Peak Rock Capital LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (512) 765-6520. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

MATERIAL CHANGES

Since the last version of this Brochure dated March 30, 2018, the Brochure has been revised to update the description of Peak Rock Capital LLC's advisory business.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	i
Advisory Business	2
Fees and Compensation	4
Performance-Based Fees and Side-By-Side Management	8
Types of Clients	8
Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Disciplinary Information.....	24
Other Financial Industry Activities and Affiliations.....	24
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	24
Brokerage Practices	26
Review of Accounts	27
Client Referrals and Other Compensation.....	28
Custody	28
Investment Discretion	28
Voting Client Securities	28
Financial Information.....	29

ADVISORY BUSINESS

Peak Rock Capital LLC (the “**Adviser**”), a Delaware limited liability company and registered investment adviser and its affiliated investment advisers provide discretionary investment advisory services to private investment-related funds privately offered to qualified investors in the United States and elsewhere. The Adviser commenced business operations in July 2012.

The Advisers’ clients include the following (each, a “**Fund**,” and together with any future private investment fund to which Peak Rock provides investment advisory services, the “**Funds**”):

- Peak Rock Capital Fund LP
- Peak Rock Capital Fund A LP (together with Peak Rock Capital Fund LP, “**Fund I**”)
- Peak Rock Capital Executive Fund LP
- Peak Rock Capital Fund II LP
- Peak Rock Capital Fund II-A LP (together with Peak Rock Capital Fund II LP, “**Fund II**”)
- Peak Rock Capital Credit Fund II LP
- Peak Rock Capital Credit Fund II-A LP (together with Peak Rock Capital Credit Fund II LP, “**Credit Fund II**”)
- Peak Rock Capital Executive Fund II LP
- Peak Rock Capital Executive Credit Fund II LP (together with Peak Rock Capital Executive Fund LP, Peak Rock Capital Executive Fund II LP and any future Peak Rock executive funds, collectively, the “**Executive Fund**”)

The following general partner and advisory entities are affiliated with the Adviser:

- Peak Rock Capital Holdings I LP
- Peak Rock Capital Holdings II LP
- Peak Rock Capital Credit Holdings II LP
- Peak Rock Capital Executive Holdings I LLC
- Peak Rock Capital Executive Holdings II LLC
- Peak Rock Capital Executive Credit Holdings II LLC

- Peak Rock Capital Directors LP (the “**Management Company**”)
- Peak Rock Capital Europe LLP
- Peak Rock Capital International Ltd
- Peak Rock Capital Europe SPRL

(each, a “**General Partner**,” together with the general partners of any future private investment funds to which Peak Rock provides investment advisory services, “**General Partners**,” and the General Partners together with the Adviser, “**Peak Rock**” or “**Advisers**”).

Each General Partner is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure describes the business practices of Peak Rock, including the General Partners, which operate as a single advisory business together with the Adviser.

The Funds invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Peak Rock’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Peak Rock generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by Funds.

Peak Rock’s advisory services for each Fund are detailed in the applicable offering memorandum (each, a “**Memorandum**”), investment management agreement (the “**Management Agreement**”) and limited partnership agreement (each, a “**Limited Partnership Agreement**” and together with the Memorandum and the Management Agreement, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Limited Partnership Agreement. The Funds or Peak Rock generally enter into side letters or similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing, a Fund’s Limited Partnership Agreement, including provisions relating to the Management Fee (as defined below) and distributions.

Additionally, from time to time and as permitted by the relevant Limited Partnership Agreement, if a co-investment opportunity is available, the Advisers expect to provide co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Peak Rock’s personnel and/or certain other persons associated with Peak Rock and/or its affiliates (*e.g.*, a vehicle formed by Peak Rock’s principals to co-invest alongside

a particular Fund's transactions). Such co-investments would typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), including in circumstances in which a Fund's line of credit is used to initially fund an investment. The Adviser expects that any such purchase from a Fund by a co-investor or co-invest vehicle would generally occur shortly after a Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser may seek to equitably adjust the purchase price under certain conditions and/or seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2018, Peak Rock managed \$2,023,966,663 in client assets on a discretionary basis. The Adviser is principally owned by Anthony DiSimone.

FEES AND COMPENSATION

The General Partner of a Fund generally receives a Management Fee (as defined below) and a carried interest in connection with advisory services. The General Partners or other Peak Rock entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation may offset in whole or in part the Management Fees otherwise payable to Peak Rock, as described in the Governing Documents. Investors in the Funds also bear certain fund expenses, as described below. With certain limited exceptions, the Executive Fund, which is formed to allow principals and employees of Peak Rock and its affiliates, as well as certain other persons, to invest in certain portfolio investments alongside other Funds, generally does not pay a Management Fee or carried interest to its General Partner, as described in the Executive Fund Governing Documents.

The following is a general description of fees, compensation and expenses of the Funds. Differences may exist among Funds, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge. Prospective and existing Fund investors should review a Fund's Governing Documents for details regarding its terms, including fees, compensation and expenses.

Management Fees

During a Fund's investment period, the Fund generally will pay the Management Company an annual management fee (the "**Management Fee**") equal to 2% of the fee-bearing limited partners' aggregate capital commitments, as more fully described in the applicable Governing Documents. Payment of the Management Fee will be made quarterly in advance. Generally, investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing of such Fund, plus an additional amount, as applicable. The Management Fee may be reduced upon the expiration of the investment period or earlier upon the occurrence of certain other events as described in the applicable Governing Documents.

The Management Fee generally will be reduced by a percentage of the fee-bearing limited partners' portion of directors' fees, financial consulting fees, monitoring fees, advisory fees, break-up fees or other fees with respect to consummated or unconsummated Fund transactions paid to the Management Company, as discussed in the Governing Documents.

Peak Rock and/or its affiliates generally have discretion over whether to charge certain fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees may give rise to conflicts of interest between the Funds, on the one hand, and Peak Rock and/or its affiliates on the other hand. Portfolio company-related fees may include amounts prepaid in anticipation of future services without reimbursement, which may be offset against the applicable Management Fee to the extent set forth in the relevant Governing Documents.

As further described below and in certain Memorandum and/or Limited Partnership Agreement of each Fund, the Adviser is permitted to retain certain operating partners to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such operating partners generally would be permitted to receive compensation and other amounts described herein, but no such amounts would result in additional offsets to the Management Fee.

The General Partner of a Fund may reduce a portion of the Management Fee in exchange for a reduction in the General Partner's capital contribution obligation and/or a corresponding interest in Fund profits to the extent permitted under the Fund's Governing Documents. The limited partners of a Fund may be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of the applicable General Partner in connection with any such reduction as described above; however, the limited partners are not required to make more capital contributions than they otherwise would have made if not such reduction had occurred.

Generally, the Management Fee for a Fund will commence as of the date such Fund went effective based on aggregate commitments, regardless of when a limited partner is actually admitted. The Management Fee will be paid out of current income and disposition proceeds of the Fund and, in the General Partner's discretion, from drawdowns that will reduce unfunded commitments. Peak Rock is entitled to receive interest on management fees from investors admitted to a Fund after the effective date in which the General Partners have commenced operations of the Fund.

Carried Interest

The Fund I General Partner generally will be entitled to a carried interest with regard to Fund I equal to 20% of all realized profits (subject to a specified, annually compounded preferred return with a related General Partner catch-up provision); the Fund II General Partner and Credit Fund II General Partner generally will be entitled to a carried interest with regard to Fund II and Credit Fund II, respectively, equal to 20% of all realized profits (subject to a specified, annually compounded preferred return with a related General Partner catch-up provision) and will further be entitled to a carried interest equal to 25% of all realized profits if the limited partners of Fund II or Credit Fund II, respectively, have collectively received cumulative distributions representing a specified net internal rate of return. The foregoing performance-based fee terms are more fully described in each Fund's Governing Documents. The carried interest distributed to a General

Partner is subject to a potential giveback at the end of the life of a Fund if such General Partner has received excess cumulative distributions.

Other Information

The Adviser is permitted to exempt certain “affiliated partners” in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Peak Rock and any other Peak Rock affiliated person designated by the Adviser. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Peak Rock professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Limited Partnership Agreement, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Peak Rock generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the General Partners.

In addition to the Management Fee and carried interest payable to a General Partner, each Fund bears certain expenses. Each Fund generally will pay all other costs and expenses of the Fund that are not reimbursed by portfolio companies (which reimbursements may be for out-of-pocket expenses incurred in connection with the making, monitoring and/or disposing of such portfolio company investments, including follow-on investments and refinancings), including legal, auditing, consulting, financing, accounting, travel (including, where appropriate, meal and entertainment expenses and the cost of chartering of private aircraft) and custodian fees and expenses; expenses associated with the Fund’s financial statements, tax returns, Schedule K-1s and other Fund-related reporting; expenses incurred in connection with transactions not consummated (“**Broken Deal Expenses**”), including Broken Deal Expenses relating to transactions that were offered to co-investors; expenses of the advisory board and annual meetings of the limited partners, any other meeting with any limited partner(s) and related meal and entertainment expenses; insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Peak Rock and/or its affiliates. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the practices set forth in “Brokerage Practices.”

Peak Rock currently only exempts its employees and certain former employees that invest in a Fund from payment of all or a portion of Management Fees and/or carried interest.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. In certain circumstances, Peak Rock is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Peak Rock's related policies and the relevant Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a coinvestment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, Broken Deal Expenses relating to such proposed transaction may be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction.

Peak Rock and/or its affiliates generally have discretion over whether to charge consulting fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally could give rise to the appearance of conflicts of interest between the Fund, on the one hand, and Peak Rock and/or its affiliates on the other hand.

Special Consultants

Additionally, as further described in the applicable Fund Governing Documents, it is the Advisers' practice to use or retain certain Special Consultants (as defined below) to provide services to one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Special Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Special Consultants receive compensation, including, but not limited to, profits or equity interests in a portfolio company or other compensation (including incentive-based compensation), which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Special Consultants, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Special Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset the Management Fee. The use of Special Consultants subjects the Advisers to conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” a General Partner receives a carried interest allocation on certain realized profits in the Funds. A carried interest allocation represents an investment adviser’s compensation based on a percentage of net profits of the funds it manages. With the exception of the Executive Fund, Peak Rock does not currently advise Funds not subject to a carried interest. Although certain limited partners of the Executive Fund may be subject to a carried interest, Peak Rock generally expects that most of the investors in the Executive Fund will be principals or employees of Peak Rock or otherwise affiliated with Peak Rock, as described in the applicable Governing Documents, and therefore will not be subject to a Management Fee or carried interest. This practice could present a conflict of interest because Peak Rock may have an incentive to favor accounts for which it receives a performance-based fee. See “Methods of Analysis, Investment Strategies and Risk of Loss,” for further discussion of conflicts of interest.

The existence of performance-based compensation has the potential to create an incentive to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Peak Rock generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Peak Rock provides investment advice to Funds. Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (“**Investment Company Act**”). The investors participating in Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees (including through related personal and family investment vehicles) of Peak Rock and its affiliates, Special Consultants and other service providers retained by Peak Rock.

The Funds generally have a minimum investment amount of \$5 million for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. The General Partners may waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Peak Rock seeks to primarily make equity and debt investments in lower middle market and middle market (“**LMM**”) companies. Peak Rock’s primary focus is on what it believes to be opportunistic, underperforming and distressed LMM opportunities. Companies in this sector

typically have between \$50 million and \$1 billion of revenue and usually generate in excess of \$15 million of EBITDA prior to recent challenges.

The following is a summary of the investment strategies and methods of analysis generally employed by Peak Rock on behalf of the Funds. *There can be no assurance that Peak Rock will achieve the investment objectives of the Funds and a loss of investment is possible.*

Investment and Operating Strategy

Peak Rock intends to invest in existing and newly issued securities (a) with an intention to control or significantly influence the issuing company as it undertakes an improvement plan, financial and/or operational restructuring or (b) with a view towards a specific outcome that Peak Rock expects will result in an attractive return.

Peak Rock expects the success of a Fund's investments to be a result of the team's ability to assess the long term prospects of a company, including an analysis of its industry, its competitive positioning and the impact of its restructuring on its ability to achieve future success, and predict the likelihood of achieving an outsized financial recovery in the ultimate restructuring of the business. In assessing the attractiveness of an investment, the team will consider certain factors, which may include the following:

- The prospects of the business and industry
- The company's liquidity situation and likely needs over the near term
- The downside protection for the investment, including capital structure position and dynamics, liquidation value and sale value of separable businesses or assets
- The impetus for a restructuring and potential costs and timeline of the restructuring
- Potential value of the available security in the restructuring
- Motivations and prior experiences with the other holders of the company's securities

Each of these considerations may have a significant impact on the ultimate return of the investment and on Peak Rock's ability to influence the return.

Additionally, Peak Rock seeks to invest in situations that are undermarketed and where it believes it can have a meaningful influence on an underperforming or distressed company's future prospects, both in the restructuring of the company's balance sheet and its operations.

In addition to acquisitions through equity, Peak Rock intends to invest in senior secured loans. Peak Rock expects a Fund's returns to primarily come from (i) the sale of the equity of portfolio companies, (ii) the cash coupon being paid on a periodic basis from debt instruments, (iii) the ultimate payment of the accreted value of debt at redemption or sale, including accrued paid-in-kind interest and (iv) the sale of equity or equity-like securities attached to debt instruments.

When considering debt investments, Peak Rock intends to focus on acquiring debt that is either (1) the fulcrum security of a company and where there is an opportunity to gain control or significant influence over a company through an in-court or out-of-court restructuring or (2) where expected interest and principal payments should result in an attractive stand-alone return. In some instances, the performance of the underlying company may improve to the extent that the acquired debt is no longer the fulcrum security. In these instances, Peak Rock will consider selling its debt position to other market participants.

Peak Rock intends to invest primarily in companies based in the North American and select European jurisdictions. Peak Rock intends to target a portfolio of 10 to 20 control investments through a Fund's investment cycle. These investments typically will target \$30-\$300 million of equity per transaction. Certain non-control debt investments will be smaller than the expected range and starting positions in these securities could be \$1 million or lower.

Risks of Investment

The Funds and their investors bear the risk of loss that Peak Rock's investment strategy entails. Although the following risk factors are generally applicable to Peak Rock's Funds, investors should also refer to a Fund's Memorandum for risk factors specific to their Fund. The risks involved with Peak Rock's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. Each Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of the prior investments of Peak Rock and its principals is not necessarily indicative of a Fund's future results. While Peak Rock intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative

controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Peak Rock and its affiliates, Peak Rock frequently comes into possession of confidential or material non-public information. Therefore, Peak Rock and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken, on account of applicable securities laws or Peak Rock's internal policies. Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Peak Rock or the Funds from entering into transactions with certain individuals or jurisdictions.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying and structuring private equity and mezzanine transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, the limited partners will be required to bear Management Fees through such Fund during the commitment period based on the entire amount of the limited partners' commitments to such Fund and other expenses as set forth in the Limited Partnership Agreement.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual Management Fee payable to a General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded commitments.

Leveraged Investments. A Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain

or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable thereof, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund has the potential to defer limited partner capital contributions, which impacts an investor's return. In turn, such practice, if successful, can accelerate preferred return huddles, which may create an incentive for the General Partner to employ the use of leverage for such Fund. The use of leverage by a Fund also will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other Funds and entities managed by Peak Rock or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Subscription Lines. Certain Funds may enter into subscription lines with one or more lenders in order to finance their operations (including the acquisition of Fund investments). Fund-level borrowing subjects limited partners to certain risks and costs. In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. In addition, in order to secure a subscription line, the relevant General Partner may request certain information from limited partners to share with lenders. The General Partner will have significant discretion in negotiating

the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain securities may be distributed in kind to the partners of a Fund and it may be difficult to liquidate such securities received at a price or within a time period that is determined to be ideal by such partners.

Distressed Investments. A Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the Adviser will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds will be vested with the General Partners, and a Fund's future profitability will depend largely upon the business and investment acumen of Peak Rock. The loss or reduction of service of one or more of the principals of Peak Rock could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend on the actions of the applicable General Partner. In addition, certain changes in a General

Partner or circumstances relating to a General Partner may have an adverse effect on the applicable Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the applicable General Partner will monitor the performance of a Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although each Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although Peak Rock intends to manage

each Fund's investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that such Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by such Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; (g) nationalization and expropriation of private assets; and (h) other political, governmental and economic risks. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulations. A General Partner may (but is not obligated to) endeavor to manage the applicable Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging

arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Non-controlling Investments. A Fund may hold meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size, such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

Director Liability. A Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Market Conditions. Any material change in the economic environment, including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other

unauthorized access is directed at Peak Rock or one of its service providers holding its financial or investor data, Peak Rock, its affiliates or the Funds may also be at risk of loss.

Conflicts of Interest

Peak Rock and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing investment advisory, legal, management, investment-related and other services to Funds and portfolio companies. Peak Rock will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Document(s), although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Peak Rock conducting its activities, the interests of a Fund may conflict with the interests of Peak Rock, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Peak Rock will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the Funds.

During the investment period of a Fund, Peak Rock pursues all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions, as described in the applicable Governing Documents. However, Peak Rock currently manages, and expects in the future to manage, other investment funds and investments similar to those in which the Funds invest, and may direct certain relevant investment opportunities to those investment funds and investments. Peak Rock's investment staff will continue to manage and monitor such investment funds and investments. Peak Rock's significant investment in a Fund, as well as Peak Rock's interest in the carried interest with respect to such Fund, operate to align, to some extent, the interest of Peak Rock with the interest of the partners of such Fund, although Peak Rock may have economic interests in such other investment funds and investments as well and receive Management Fees and carried interests relating to such interests. Such other investment funds and investments that Peak Rock may control or manage may compete with a Fund or companies acquired by such Fund. Following the investment period of a Fund, Peak Rock may, and likely will, focus its investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Peak Rock will be presented with investment opportunities that would be suitable for more than one of the Funds and/or other investment vehicles operated by advisory affiliates of Peak Rock. In determining which investment vehicles should participate in such investment opportunities, Peak Rock and its affiliates are subject to conflicts of interest among such investment vehicles. If a future investment in a portfolio company were to involve more than one Peak Rock client, such investment may also raise the risk of using assets of a client of Peak Rock to support positions taken by other clients of Peak Rock.

Peak Rock must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Peak Rock generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Limited Partnership Agreement, as well as factors including but not limited to: investment restrictions and objectives (including those set

forth in the relevant client's Limited Partnership Agreements, where applicable), operating guidelines, diversification limitations, tax and regulatory considerations, investment restrictions and other relevant factors, including risk.

For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund may invest together with other Funds advised by an affiliated adviser of Peak Rock in the manner set forth in the relevant Limited Partnership Agreements and the Adviser's Allocation Policy. Peak Rock will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with Peak Rock's obligations and may take into consideration factors such as those set forth above.

With respect to the allocation of investment opportunities among equity Fund II and Credit Fund II, as a general matter, and subject to each applicable Limited Partnership Agreement, Peak Rock and its affiliates will allocate investment opportunities (and sale opportunities) between Fund II and Credit Fund II as follows: Fund II will invest primarily in opportunities where Peak Rock expects it is likely to seek to have control or influence over a company or a class of securities, and Credit Fund II will invest primarily in credit opportunities where at the time the investment is consummated, Peak Rock does not expect to seek to have control of such company.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Peak Rock or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Peak Rock investors. When and to the extent that employees and related persons of Peak Rock and its affiliates make capital investments in or alongside certain Funds, Peak Rock and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Peak Rock's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Peak Rock will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Peak may be subject, discussed herein, did not exist.

In certain cases, Peak Rock will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Limited Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Peak Rock will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Limited Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Although uncommon, from time to time Peak Rock may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Peak Rock, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities, in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund, or in a situation where a portfolio company becomes better suited for a different Fund (e.g., where an opportunity for control arises or where the desired time horizon of the investment changes). Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Limited Partnership Agreements or otherwise in the sole discretion of Peak Rock, Peak Rock may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, Peak Rock may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Peak Rock intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances.

Peak Rock anticipates that a Fund may make an investment in a company in which one or more other Funds hold an investment, generally in a different class of such company's debt or equity tranches. Certain Funds may make investments in other parts of the capital structure of a company in which another Fund has an investment in a debt or equity tranche. Such Funds may acquire their interests in such company at the same time or at separate times and on similar or different terms. The relevant Limited Partnership Agreement will allow certain Funds (or any respective successors or predecessors thereto) to make investments in the same company without any restrictions or prior approval from the advisory board or the investors. Such investments will involve material conflicts of interest; Peak Rock believes such conflicts of interest in situations where one Fund and another Fund invest in the same company are mitigated in part by the commonality of ownership of such Funds.

Further, as an investment advisor to both such Funds, Peak Rock would owe a fiduciary duty to both such Funds. Consequently, given the differing tranches and corresponding priorities in the capital structure of a single company, Peak Rock may in certain circumstances face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Funds (e.g., with respect to the structure and terms of the debt facilities, the enforcement of rights and remedies, and the resolution of restructurings or bankruptcies). Given the nature of such conflicts and applicable legal constraints (including bankruptcy laws), there can be no assurance that any such conflict will be resolved in a manner that is beneficial to either Fund. Peak Rock may, but is not obligated to, engage third-party experts, including independent appraisers, to advise the Adviser regarding any situation in which multiple Funds are considering, make or hold an investment in the same company.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Peak Rock in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Peak Rock may face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness or guaranty of indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Peak Rock may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. Peak Rock intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness. Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Peak Rock and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Limited Partnership Agreements of the Funds, Peak Rock will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Peak Rock may be faced with a variety of potential conflicts of interest. The allocations of such expenses may not be proportional. The Funds could bear different levels of expenses than other Peak Rock clients with respect to the same investment.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be

made by Peak Rock or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Peak Rock. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

Since the General Partner is permitted to retain certain fees (as described under “Fees and Compensation”) in connection with Fund investments, Peak Rock could have a conflict of interest in connection with approving transactions and setting such compensation. Peak Rock manages such conflicts by offsetting the Management Fee by a specified percentage of such fees and by a General Partner’s interest in the carried interest of a Fund. In addition, the potential conflict is further mitigated by the fact that such fees generally are negotiated with the applicable portfolio company’s management team.

As a result of the Funds’ controlling interests in portfolio companies, Peak Rock and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Peak Rock and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Peak Rock and is subject to offset against Management Fees as described above.

Additionally, a portfolio company typically will reimburse Peak Rock or service providers retained at Peak Rock’s discretion for expenses (including without limitation travel expenses) incurred by Peak Rock or such service providers in connection with its performance of services for such portfolio company. This subjects Peak Rock and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Peak Rock determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund’s audited financial statements, and any fee paid or expense reimbursed to Peak Rock or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Peak Rock generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) Peak Rock or a related person of Peak Rock (which may include a portfolio company of such Fund), (ii) an entity with which Peak Rock or its affiliates or current or former members of their personnel has a relationship or from which Peak Rock or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, Peak Rock may be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain

limited partners or their affiliates that are engaged in lending or related business. This subjects Peak Rock to conflicts of interest, because although Peak Rock selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Peak Rock may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Peak Rock, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Peak Rock), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Peak Rock has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Peak Rock and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Peak Rock and/or its affiliates; conversely, current or former executives, principals or other employees of Peak Rock and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Peak Rock. Similarly, Peak Rock, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Peak Rock and/or its affiliates, and/or the Funds or other investment vehicles they advise. Peak Rock may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or any of such Fund's portfolio companies, including where such recommendation is motivated by a belief that the service provider or its affiliate(s) will (a) continue to invest in one or more Funds, (b) provide Peak Rock information about markets and industries in which Peak Rock operates (or is contemplating operations) or (c) provide other services that are beneficial to Peak Rock. Peak Rock may have a conflict of interest in making such recommendations, in that Peak Rock has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Peak Rock, its affiliates, and equity holders, officers, principals and employees of Peak Rock and its affiliates may buy or sell securities or other instruments that Peak Rock has recommended to a Fund, including transactions offered to but rejected by a Fund. Such transactions are subject to such Fund's Limited Partnership Agreement and the policies and procedures set forth in Peak Rock's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Certain employees and related persons of Peak Rock have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these

investments. However, Peak Rock believes that such investments by Peak Rock employees and related persons better align the interest of Peak Rock with the interest of the partners of such Fund(s).

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Peak Rock, are reimbursed by a Fund and/or its portfolio companies, Peak Rock will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to operating professionals and other third party consultants (including consultants introduced or arranged by Peak Rock and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein.

Applicable Governing Documents contemplate the use of Special Consultants, as described therein. This is expected to include companies and individuals, which may be affiliates of Peak Rock, employees of such affiliates, portfolio companies, third party consultants (including individual members of an operations group, consultants and external executives), “operating partners,” “operating executives,” “strategic partners,” “executive partners” or “senior advisors” (collectively “**Special Consultants**”). Special Consultants are permitted to make use of Peak Rock resources or otherwise associate with Peak Rock, and Peak Rock and/or its affiliates expect to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Additionally, Special Consultants would be permitted to receive investment opportunities, reimbursements and other compensation that would not offset the Management Fee of any Fund, as described herein.

Although the use of Special Consultants and the allocation of compensation paid to them by Peak Rock, its affiliates and/or the portfolio companies may subject Peak Rock and/or its affiliates to potential conflicts of interest. Peak Rock believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Special Consultant is lower than market rates for the services provided and/or if the quality of the services of the Special Consultant make a greater contribution to the success of the portfolio company. Although Peak Rock seeks to retain Special Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. Peak Rock also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Peak Rock believes will align such persons’ or groups’ interests with those of the Funds’ limited partners.

Peak Rock generally enters into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Peak Rock may institute a program under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with Peak Rock,

its affiliates and other portfolio companies. If established, program participants would receive discounts negotiated with various vendors and service providers on a groupwide basis. Peak Rock believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

From time to time Peak Rock and its affiliates and personnel could receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Peak Rock, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

Peak Rock attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Peak Rock’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among such entities in a fair and equitable manner. Where necessary, Peak Rock consults and receives consent to conflicts from an advisory board consisting of limited partners of the applicable Fund(s) and such other investment vehicles, if any.

To the extent that an investment or relationship raises particular conflicts of interest, Peak Rock will review the circumstances of such investment or relationship with a view to addressing or mitigating any potential conflict. Where appropriate in connection with a conflict Peak Rock’s practice is to consult with and, where necessary, seek approval from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

DISCIPLINARY INFORMATION

Peak Rock and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under “Advisory Business” above, the Adviser is affiliated with the General Partners and the Management Company, each of which is registered with the SEC under the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. The General Partners and the Management Company operate as a single advisory business together with the Adviser and serve as the General Partners or Management Company of the Funds and the Executive Fund, as applicable, and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Peak Rock has adopted a Peak Rock Code of Ethics and Securities Trading Policy (the “Code”), which sets forth standards of conduct that are expected of Peak Rock principals and employees and addresses certain conflicts that may arise from personal securities trading. The Code requires Peak Rock personnel, among other things, to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to the Peak Rock Chief Compliance Officer at (512) 765-6520. Personal securities transactions by Peak Rock personnel are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Peak Rock and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Peak Rock and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Peak Rock.

Accordingly, should Peak Rock or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Peak Rock would be prohibited from communicating such information to clients, and Peak Rock will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Peak Rock personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Peak Rock and its affiliates may directly or indirectly own an interest in one or more Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds. Co-invest opportunities may also be presented to certain affiliates of Peak Rock, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

A Fund may invest together with other Funds advised by an affiliated adviser of Peak Rock in the manner set forth in the applicable Governing Documents. Peak Rock will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the Governing Documents for the relevant Fund and the Peak Rock investment allocation policy.

Peak Rock and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

In borrowing on behalf of a Fund, Peak Rock is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The costs relating to the establishment and/or maintenance of a subscription line of credit may be material, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Peak Rock will effect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with Peak Rock's obligations to the Fund under the Governing Documents.

BROKERAGE PRACTICES

Peak Rock focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Peak Rock may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Peak Rock does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Peak Rock sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Peak Rock. In such event, Peak Rock will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Peak Rock may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

Peak Rock has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Peak Rock intends to generally seek competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker

involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Peak Rock seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Peak Rock generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of Peak Rock's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Peak Rock, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that Peak Rock allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution.

Peak Rock does not anticipate engaging in significant public securities transactions; however, to the extent that Peak Rock engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, Peak Rock may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Peak Rock may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Peak Rock will closely monitor companies in which the Funds invest, and the Chief Compliance Officer will periodically check to confirm that each Fund is managed in accordance with its stated objectives.

Peak Rock will generally provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

As discussed in the “Fees and Compensation” section, Peak Rock may receive certain fees from a Fund’s portfolio companies. As described in the applicable Fund’s Governing Documents, this compensation may, in certain circumstances, offset all or a portion of the Management Fees paid by the Fund. However, in other circumstances, these fees would be in addition to Management Fees.

Peak Rock has not entered into, and does not currently intend to enter into, any solicitation arrangements pursuant to which it would compensate third parties for referrals that result in a potential investor becoming a limited partner in a Fund.

CUSTODY

As required by the Advisers Act, Peak Rock has established an account with the following qualified custodian to hold funds and securities on behalf of the Funds: Wells Fargo Institutional Retirement and Trust, 733 Marquette Avenue South, Minneapolis, MN 55479.

INVESTMENT DISCRETION

Peak Rock has discretionary authority to manage investments on behalf of the Funds. As a general policy, Peak Rock does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Peak Rock and/or its affiliates generally enters into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund may be altered or varied, including, in some cases, the right to opt out of certain investments for legal, tax, regulatory or other agreed-upon reasons. Peak Rock assumes this discretionary authority pursuant to the terms of the Governing Documents.

VOTING CLIENT SECURITIES

Peak Rock has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Peak Rock votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Peak Rock generally believes its interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Peak Rock may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve Peak Rock’s vote in a particular solicitation. Peak Rock does not consider service on portfolio company boards by Peak Rock personnel or Peak Rock’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Peak Rock when voting proxies on behalf of a Fund. If you would like a copy of Peak Rock’s complete Proxy Policy or information regarding how Peak Rock voted proxies for particular portfolio companies, please contact the Peak Rock Chief Compliance Officer at (512) 765-6520, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Peak Rock does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.