

**Peppertree Capital Management, Inc.  
and its Relying Advisers:**

**Peppertree Capital TTF, LP  
Peppertree Capital FIV, LP  
Peppertree Capital FV, LP  
Peppertree Capital FVI, LP  
Peppertree Capital FVII, LP  
Peppertree Capital FVIII, LP  
Peppertree Capital FIX, LP  
Peppertree Capital FX, LP  
Peppertree Capital SDF, LLC  
PCM Management Advisor, LLC  
PCM Future Advisor, LLC**

**Investment Adviser Brochure**

**Business Address**

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Chagrin Falls, Ohio 44022**

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**This brochure provides information about the qualifications and business practices of Peppertree Capital Management, Inc. ("PCMI") and its relying advisers listed above (collectively, "Peppertree", "we", "our", or "us"). If you have any questions about the contents of this brochure, please contact us at (440) 528-0333 or [www.peppertreecapital.com](http://www.peppertreecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**Peppertree 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 about Peppertree is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Summary of Material Changes**

There are no material changes to this brochure since our last annual amendment in March 2023.

This Item is used to provide a summary of material changes. However, there are other changes to this brochure. We encourage you to review the brochure in its entirety.

### **Item 3 - Table of Contents**

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

## **Item 4 - Advisory Business**

### **Background and Ownership**

PCMI and its affiliated advisers provide investment advisory services to private investment funds (hereinafter referred to individually as a “Fund” or “Partnership” and collectively as the “Funds”). Peppertree commenced operations in 2003. PCMI also provides services to one separate account (the “Separate Account”) and sub-advises a third-party fund (the “Sub-advised Fund”, and together with the Separate Account and the Funds, “Clients”).

A separate entity established by PCMI serves as the general partner to each of the Funds, and each such general partner is included in this Form ADV as a relying adviser. See Item 10 – Other Financial Industry Activities and Affiliations for additional details. PCM Management Advisor, LLC (“PCMMA”), an indirect subsidiary of PCMI, was formed in 2022 and is entitled to receive fees that PCMI is entitled to under its agreements with its Clients. PCM Future Advisor, LLC (“PCMFA”), an indirect subsidiary of PCMI and PCMMA, was formed in 2022 and is entitled to receive fees from any Clients established after October 18, 2022. Each of PCMMA and PCMFA (collectively, the “Subsidiary Advisers”) are included in this Form ADV as a relying adviser. The general partners and the Subsidiary Advisers are each a “Relying Adviser”.

PCMI is owned and controlled by F. Howard Mandel and Ryan D. Lepene.

Mr. Mandel and Jeffrey J. Milius each own at least 25% of the Relying Adviser Peppertree Capital TTF, LP; Peppertree Capital III, Inc. is its general partner.

Mr. Mandel and Mr. Lepene each own at least 25% of the following Relying Advisers:

- Peppertree Capital FIV, LP; Peppertree Capital IV, Inc. is its general partner;
- Peppertree Capital FV, LP; Peppertree Capital V, Inc. is its general partner;
- Peppertree Capital SDF, LLC is owned by PCMMA;
- Peppertree Capital FVI, LP; Peppertree Capital VI, Inc. is its general partner;
- Peppertree Capital FVII, LP; Peppertree Capital VII, Inc. is its general partner;
- Peppertree Capital FVIII, LP; Peppertree Capital VIII, Inc. is its general partner;
- Peppertree Capital FIX, LP; Peppertree Capital IX, Inc. is its general partner; and
- Peppertree Capital FX, LP; Peppertree Capital X, Inc. is its general partner.

Mr. Mandel and Mr. Lepene own, indirectly, at least 25% of each of PCMMA and PCMFA. Affiliated Managers Group, Inc. (“AMG”), a publicly-traded asset management company (NYSE: AMG), indirectly holds a minority interest in PCMMA and PCMFA. AMG does not hold any interest in PCMI nor any role in the day-to-day management of Peppertree. Further information on AMG is provided in Item 10 - Other Financial Industry Activities and Affiliations.

### **Advisory Services**

Except for Peppertree Capital Senior Debt Fund, LP (“SDF”), the Funds are all private equity funds. Peppertree’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving disposition for such investments. As a general matter, each Fund is managed in accordance with the investment objectives, strategies and guidelines or restrictions set forth in the applicable private placement memorandum and constituent documents and is not tailored to the individual needs of any particular

investor in the Fund (such investors in the Funds are referred to herein as “Investors”). Investment in a Fund does not by itself create an advisory relationship between the Investors and Peppertree. Therefore, Investors must consider whether a Fund meets their investment objectives and risk tolerance prior to investing in a Fund.

Peppertree’s investment advisory services to the Separate Account and Sub-advised Fund are substantially similar to those provided to the Funds. These Client accounts are managed in accordance with the investment objectives, strategies and guidelines or restrictions set forth in the investment management agreements.

### **Assets Under Management**

As of December 31, 2023, Peppertree managed \$6,500,844,610 in total regulatory assets under management, of which \$6,445,034,619 is managed on a discretionary basis, and \$55,809,991 is managed on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### **Investment Management Fees**

In general, one of the Subsidiary Advisers receives a management fee in connection with advisory services. Each Fund (other than SDF which is not charged any management fees), as well as the Separate Account, initially pays (or paid) a quarterly management fee of up to 2% per annum based on aggregate Investor capital commitments (“Commitments”). Each Fund’s management fee steps down following certain events specified in the relevant limited partnership agreement of such Fund. The Sub-advised Fund pays a quarterly management fee of up to 2% per annum based on the fund’s net asset value; however, to the extent it invests in any Fund, the management fee will be reduced by the amount of fees charged to the Sub-advised Fund as an Investor in such Fund. Peppertree, as investment adviser to each Fund, may also retain certain transaction fees or investment banking fees, some or all which are applied to offset management compensation as specified in the relevant limited partnership agreement of each Fund. Certain Relying Advisers may elect to irrevocably waive a portion of the management fee payable by a particular Fund (the “Waived Management Compensation”). The aggregate amount of Waived Management Compensation may not exceed the amount of the investment commitment of the principals of PCMI with respect to the relevant Fund (including any investment commitment to a related co-investment vehicle) in effect from time to time, and any such Waived Management Compensation shall reduce on a dollar-for-dollar basis the aggregate remaining un-invested commitment (if any) of the principals at the time of such waiver.

### **Carried Interest**

One of the Relying Advisers receives a carried interest with respect to the relevant Fund, as well as the Sub-advised Fund, generally equal to 15-20% of all realized profits subject to any preferred return, all as specified in the limited partnership agreement of the relevant Client. The carried interest distributed to a Relying Adviser is subject to a potential clawback at the end of life of the relevant Fund if such Relying Adviser has received excess cumulative distributions.

No carried interest is payable to PCMI or any Relying Adviser by SDF or the Separate Account.

### **Deduction of Fees from Client Accounts**

PCMI and its affiliates are authorized to deduct investment management fees from the accounts of the Funds. Management fees are due in advance on the first day of each fiscal quarter. If the management fee payable for a fiscal quarter or other period is greater than the amount paid at the beginning of that fiscal quarter or period, the additional management fees owed shall be due then at the beginning of the next fiscal quarter. If the management fees payable for a fiscal quarter or other period is less than the amount paid at the beginning of that fiscal quarter or period, then management fees payable for the following fiscal quarter or period shall be reduced by the amount of the overpayment or, if the Fund is wound up and liquidated prior to the end of such fiscal quarter or other period, the overpayment shall be repaid to the Fund.

### **Client Expenses**

As more specifically set forth in each partnership agreement, each private equity Fund generally bears the costs associated with its investments in addition to the fees described above. Such expenses may include, without limitation, the annual audit of the Fund, the preparation of the annual and any interim financial statements of the Fund and the Federal and state tax returns of the Partnership and related K-1's; fees, costs, and expenses related to any Federal or state audit of the Fund; taxes, government charges and related costs payable by the Fund; costs and expenses associated with meetings of the limited partners of the Fund, communications with limited partners and preparation of Fund status reports; costs and expenses associated with meetings of limited partners with the general partner and of committees and advisory boards of the Fund; the costs and expenses of the advisory board; the legal fees costs and expenses for counsel of the Fund in any legal action, proceeding or investigation, including threatened action, proceeding or investigation, and the amount of any judgments or settlements paid in connection with such action, proceeding or investigation; costs and expenses (not otherwise reimbursed) of potential investments that are not consummated; all other legal fees, costs and expenses incident to the Fund, its formation, its management and activities; organizational expenses not to exceed the amount noted in the relevant partnership agreement; interest and other expenses relating to any Fund indebtedness; bonding expenses; premiums for insurance protecting the Fund and the partners and employees of PCMI and affiliates; securities filing fees; and all extraordinary fees, costs and expenses.

SDF bears Fund expenses as set forth in its partnership agreement.

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

As described in Item 5 above, a Relying Adviser may receive a carried interest allocation on realized profits of certain Clients.

PCMMA also manages SDF which is not charged a performance-based fee. SDF makes loans to portfolio companies (as described in Item 10 - Other Financial Industry Activities and Affiliations, below). Peppertree does not believe there is a conflict in managing this vehicle with the Funds that pay performance fees, as SDF does not invest in the same underlying investments.

### **Item 7 - Types of Clients**

Peppertree provides investment management services to the Funds, the Sub-advised Fund and business entities.

The Investors participating in the Funds may include individuals, banks or other thrift institutions, other investment entities, pension and profit-sharing plans, trust, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Peppertree and its affiliates. Generally, Investors are required to meet certain net worth qualifications to qualify as “accredited investors” within the meaning of Rule 501 of Regulation D under the Securities Act of 1933 or other suitability or eligibility requirements set forth in the applicable private placement memorandum.

#### **Important Notice for Investors**

This brochure may be provided to prospective Investors in a Fund, together with such Fund’s confidential private placement memorandum (“PPM”), constituent documents and other related documents (“Governing Documents”) in connection with an Investor’s consideration of an investment in a Fund. While this brochure may include information about Peppertree or a Fund, it does not represent a complete discussion of the features, risks or conflicts associated with such Fund. More complete information about the Funds is included in the PPM and other Governing Documents for each Fund and should be reviewed carefully before deciding whether to invest in a Fund.

**In no event should this brochure be considered an offer of interests in any Fund or be relied upon in determining whether to invest in any Fund. It is also not an offer of, or agreement to provide, advisory services directly to any Investor.** Rather, this brochure is designed only to provide information about Peppertree to comply with regulatory requirements under the Investment Advisers Act of 1940. Information in this brochure may differ from the information provided in the relevant PPM. If there is any conflict between the information in this brochure and similar information in the PPM, Investors should rely on the information in the PPM with respect

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

The following is a summary of the investment strategies and methods of analysis employed by Peppertree on behalf of its clients. Specific descriptions of such strategies and methods are included in each Client’s investment advisory agreement, PPM or other Governing Documents. The information in this Item 8 includes a discussion of the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to a client will depend on the nature of the Fund, its investment strategy or strategies and the types of assets held, among other factors.

The Clients invest primarily in telecommunication companies (the “Telecom Assets”) and are not intended to provide a complete investment program for an Investor, the Separate Account owner or any investor in the Sub-advised Fund. Such parties are responsible for appropriately diversifying their assets to guard against the risk of loss.

#### **Methods of Analysis and Investment Strategies**

- Peppertree’s fundamental investment thesis is that the demand for data will overwhelm the capacity of telecommunication networks for the foreseeable future.

- Peppertree typically acts as lead or co-lead investor with respect to portfolio companies and expects to have controlling positions with its co-investors (either by percentage or by contract) in investments.
- Peppertree typically invests in companies that generate recurring, predictable revenue.
- Peppertree's preferred exit strategy is a private sale to one of a handful of companies it identifies prior to making the investment.

### **Risk of Loss**

While private equity investments offer the potential for significant rates of return, the business and financial risks facing individual portfolio companies can result in losses, including complete loss of capital. There can be no assurance that returns of a Client investment will be commensurate with the risk of an investment, and there can be no assurance that any Client will successfully execute its investment strategy. Non-Fund Clients and prospective Investors should be prepared to bear the consequences of completely losing their investment.

The following material risk factors are generally applicable to Clients but are not comprehensive. Additional risk factors may apply to a particular Client's investment strategy. Risk factors that are specific to a particular Fund's investment strategy are described in the applicable Fund's private placement memorandum or other Governing Documents.

### **Reliance on Senior Management and Key Employees**

Peppertree relies, to a significant extent, upon the continued services of its senior management team and other key employees. Any of these individuals could be difficult to replace, and the loss of any of them could have a material adverse effect on Peppertree's ability to provide its services.

### **Long Term Nature of Investment; Restrictions on Transfer and Withdrawal**

Peppertree's strategy is intended for long term investors who can accept the risks associated with investing primarily in illiquid equity or equity-related securities which are not readily marketable. There will likely be little or no near term cash flow available to Clients or Fund Investors.

Furthermore, Investors will not be allowed to sell, transfer, exchange, assign, pledge or otherwise dispose of their interests in a Fund, or any portion thereof, without the consent of the Peppertree entity which serves as general partner, which consent may be withheld in its sole discretion. Interests of the Funds have not been registered under the Securities Act or any other applicable securities laws. There is no market for interests of the Funds and none is expected to develop. Additionally, Investors may not withdraw from a Fund. The inability to transfer an interest or withdraw from a Fund may limit the availability of certain estate planning strategies.

### **Future and Past Performance**

The performance of the prior investments of Peppertree and its affiliates is not necessarily indicative of future results. While Peppertree intends for each Client 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. An Investor should only invest in a Fund, and Clients should only invest capital with Peppertree, as part



of an overall investment strategy and only if the Investor or Client is able to withstand a total loss of its investment.

### **Lack of Diversification**

The great majority, and perhaps all, of a Client's investments will be in one industry. One of the hallmarks of modern portfolio theory is diversification; therefore, investing in the Telecom Assets may pose undue risk to Clients and Investors that do not achieve that diversification via outside investments. Economic or other factors could have a greater adverse effect on a Client's portfolio companies compared to the portfolio companies held by a Client that has a more diversified industry mix. Additionally, since each Client will have a limited number of investments, poor performance by one or two of those investments could have a material adverse effect on overall returns.

### **Illiquidity of Investments**

Each Client's investments in portfolio companies primarily will be in private company securities for which no market exists or which are restricted under federal or state securities laws. Consequently, there is a risk that the Clients will be unable to realize their investment objectives by sale or other disposition of its investments at attractive prices or that it will be otherwise unable to complete any exit strategy. In addition, a Client may receive in kind distributions as a result of investments in portfolio companies and may, in turn, make in kind distributions to the Investors, which may include illiquid securities. There can be no assurance that the Investors would be able to dispose of such securities or that the value of these in kind distributions, as determined by Peppertree (as general partner) for purposes of ratable distributions, will ultimately be realized.

### **Reliance on Peppertree**

The Investors will have no right or power to participate in the management or control of a Fund. Clients and Investors must depend solely upon the ability of Peppertree in the management, disposition, or other realization of any investment. Additionally, the Clients and Investors will not have an opportunity to evaluate the terms of the investments made for their portfolio or by a Fund, respectively. The success of a Client will depend on the ability of Peppertree to identify suitable investments and to negotiate the terms of those investments.

Furthermore, Investors will have to rely on Peppertree for all other decisions regarding a Fund's business and affairs.

### **Allocation of Personnel**

In addition to devoting time and effort to management of the Client portfolios, Peppertree and its affiliates work on other projects, their respective investments and possibly other vehicles. Such investment professionals may also serve as members of the boards of directors of various companies, including portfolio companies in which the Clients invest, or other companies.

### **Portfolio Company Risks**

The portfolio companies in which the Clients invest may be exposed to a high degree of business and financial risks such as the following:

- lack of operating history;

- poor financial results for prior periods;
- reliance on a few key managers or unproven management – and such management will often be faced with a rapidly changing business;
- even after a Client's investment, these companies may have continuing requirements for substantial amounts of additional capital to support operations, to finance expansion, to maintain competitive position or to otherwise support a weak financial condition; and
- the leveraged capital structure of the portfolio companies will increase the exposure of those companies to adverse economic factors such as rising interest rates, downturns in the economy or the deterioration of the portfolio company or its industry.

Additionally, portfolio companies may face intense competition from companies with greater financial resources, more extensive development, marketing or other capabilities and more qualified managerial and technical personnel. Moreover, while Peppertree believes that its investment themes are sound, to the extent they do not prove to be successful due to regulatory, technological, economic or other reasons, the value of a Client's portfolio companies will be adversely affected.

### **Disaster Recovery**

Peppertree will rely on outside parties for some key operational functions in its disaster recovery plan. There is no assurance that these disaster recovery plans will be successful, which could result in significant losses to a Client in the event of a disaster.

### **Risks Related to Multiple Roles and Related Entities**

Peppertree and its related persons invest in and/or serve as general partner, or on the board of directors or advisory board, of the Funds and provide services other than investment advice (including, but not limited to, administration, organizing and managing the business affairs, preparing financial statements and providing audit support, preparing tax related schedules or documents, and sales and investor relations support) to such Funds or the portfolio companies in which the Funds invest. (See Item 10 and Item 11 for additional information).

### **Risks Related to Private Offering of Securities**

Neither the SEC nor any state securities commission has passed upon the merits of participating in a Fund, nor has the SEC or any state securities commission passed upon the adequacy or accuracy of any Fund PPM. Any representation to the contrary is a criminal offense. Peppertree anticipates that the offer and sale of the Funds' interests is exempt from registration under the Securities Act of 1933, as amended ("Securities Act"). The Funds, Peppertree, and/or their affiliates also intend to rely upon certain exemptions from broker dealer registration in the private offer and sale of securities. If such exemptions are not available under current laws or regulations, or future changes to federal or state securities laws or in their interpretation, it could adversely affect one or more Funds or its financial condition and result in a negative impact upon any such investment.

### **Item 9 - Disciplinary Information**

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

## Item 10 - Other Financial Industry Activities and Affiliations

While PCMI serves as the “investment adviser” to the affiliated Funds, a Relying Adviser serves as a general partner to one or more of the Funds as follows:

- Peppertree Capital TTF, LP is the general partner of Peppertree Capital Telecom Tower Fund, LP.
- Peppertree Capital FIV, LP is the general partner of Peppertree Capital Fund IV LP and Peppertree Fund IV QP, LP.
- Peppertree Capital FV, LP is the general partner of Peppertree Capital International Fund, LP, Peppertree Capital International Fund QP, LP, Peppertree Capital International Co-Investor Fund, LP and Peppertree Capital Cayman Islands Fund, LP.
- Peppertree Capital SDF, LLC is the general partner of Peppertree Capital Senior Debt Fund, L.P.
- Peppertree Capital FVI, LP is the general partner of Peppertree Capital Fund VI, LP, Peppertree Capital Fund VI QP, LP and Peppertree Capital Fund VI Acquisition, LLC.
- Peppertree Capital FVII, LP is the general partner of Peppertree Capital Fund VII, LP and Peppertree Capital Fund VII QP, LP.
- Peppertree Capital FVIII, LP is the general partner of Peppertree Capital Fund VIII, LP and Peppertree Capital Fund VIII QP, LP.
- Peppertree Capital FIX, LP is the general partner of Peppertree Capital Fund IX, LP and Peppertree Capital Fund IX QP, LP.
- Peppertree Capital FX, LP is the general partner of Peppertree Capital Fund X QP, LP.

In some cases, these relationships may create a conflict of interest, or the potential for or appearance of a conflict of interest, between Peppertree and a Client due to the fact that Peppertree provides investment management services to more than one Client and these Clients may have overlapping investments or investment objectives. In such cases, participation in investment opportunities will be allocated pursuant to Peppertree’s allocation policies and procedures discussed in more detail in Item 11.

SDF makes loans to portfolio companies of certain private equity Funds. Peppertree does not receive any management fees from SDF. The loans produce a return to SDF Investors as well as benefit the Investors in the private equity Funds by providing desirable financing for the portfolio companies.

Additionally, Peppertree may provide co-investment opportunities to certain Investors or other persons, including the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Client. Such co-investments typically involve investment and disposal of their investments in the applicable portfolio company at the same time and on the same terms as the relevant Client making the investment.

From time to time, personnel of PCMI may serve on portfolio company board of directors or otherwise act to influence control over management of portfolio companies held by a Client.

As noted in Item 4 - Advisory Business: Background and Ownership, AMG holds indirect interests in the Subsidiary Advisers. AMG also holds equity interests in other investment firms (the “AMG Affiliates”). Peppertree does not have any business dealings with the AMG Affiliates and does not conduct any joint operations with them. However, PCMI has entered into agreements with certain AMG subsidiaries to provide testimonials and endorsements, as such terms are defined in Rule 204-1 of

the Investment Advisers Act of 1940 (the “Marketing Rule”), for PCMI and certain Funds. The agreements provide that AMG subsidiaries are paid a fee, where allowed, by Peppertree based on commitments obtained from certain investor referrals.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

PCMI has adopted a Code of Ethics (the “Code”) designed to ensure compliance with Rule 204A-1 under the Advisers Act, which also applies to the Relying Advisers. The Code applies to all members, partners, officers, directors (and any other person occupying a similar status or performing a similar function), and employees of PCMI, and any other person who provides investment advice on behalf of PCMI and is subject to PCMI’s supervision and control (each an “Access Person”). The Code is based on the principle that PCMI and its Access Persons owe a fiduciary duty to Clients, and incorporates the following general principles that all Access Persons are expected to uphold:

- Access Persons must consistently place the interests of PCMI’s clients before their own.
- Access Persons must conduct all of their investment transactions (including their personal investment transactions) consistent with the Code and in such a manner as to avoid conflicts of interest or any abuse of a position of trust and responsibility.
- Access Persons must not take inappropriate advantage of their positions for their personal benefit.

In addition, Access Persons are required to comply with applicable federal securities laws at all times.

Access Persons are expected to act solely for the benefit of Peppertree and its clients and not be influenced by personal interests that may result from other individual or business concerns. No Access Person may engage in any activities involving a potential conflict of interest unless prior written authorization is obtained from the Chief Compliance Officer.

The Code requires that Access Persons’ personal investment activities comply with all applicable laws and regulations. In addition, Access Persons are required to obtain pre-clearance before making certain personal investments in (i) a U.S. initial public offering and (ii) a security sold in the United States in reliance on the private placement exemptions in Section 4(a)(2) of the Securities Act or Regulation D thereunder.

The Code includes policies and procedures concerning “inside information” that are designed to prevent the misuse of material, non-public information. The insider trading policies prohibit Access Persons from trading for clients or themselves, or recommending trading, in securities of a company while in possession of material non-public information about the company, and from disclosing such information to any person not entitled to receive it.

The Code also includes provisions governing the standard of conduct of Access Persons, including the provision of the required personal securities reports and policies regarding gifts and entertainment and political contributions.

Access Persons are required to certify their compliance with the Code upon joining Peppertree and any time there is an amendment. A copy of the Code will be provided to any client or prospective client upon request.

Peppertree and its principals, officers and employees and certain affiliates of Peppertree may have direct and indirect investments of their own capital in the Funds through, for example, direct investments, performance allocation, or carried interest provisions. As a result, Peppertree might be inclined to allocate more promising assets to a particular Fund rather than other Funds or Clients. Also, the existence of the performance allocation with respect to the Funds may create an incentive for Peppertree or its personnel to make more speculative investments on behalf of a Fund than they might otherwise make in the absence of such performance-based compensation. In addition, the terms of the carried interest or performance allocation could give Peppertree or its personnel an incentive to make decisions regarding the timing and structure of realization transactions that are not consistent with the interests of Investors. Peppertree seeks to allocate investments among Clients in accordance with an adopted policy statement. Under no circumstances may investments be allocated based on anticipated compensation to Peppertree or its affiliates.

#### **Item 12 - Brokerage Practices**

The vast majority of Peppertree Clients' transactions are not executed through a securities broker-dealer. However, Peppertree has the discretion, under certain circumstances, to make investments in equity interests and debt instruments. In such circumstances, Peppertree may execute the transactions on behalf of the applicable Client through a securities broker-dealer, and our objective will be to seek "best execution" (that is, the most favorable price and trade execution). The effort to seek best execution on any individual transaction depends substantially on judgment, knowledge and experience in evaluating the counterparties' and service providers' reliability and capability based on previous and pending transactions effected by the broker-dealer for Client accounts.

#### **Item 13 - Review of Accounts**

The investments made by Clients 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. Portfolio company loans provided by SDF are only provided to companies in which Clients invest. Peppertree closely monitors the companies in which the Clients invest, and the Chief Compliance Officer periodically checks to confirm that each Client portfolio is maintained in accordance with its stated objectives.

Investors in the Funds that have called capital receive a quarterly or semi-annual report (depending upon the Fund) which includes a portfolio summary and a statement of partner's capital.

#### **Item 14 - Client Referrals and Other Compensation**

Peppertree does not receive any economic benefits from non-clients in connection with the provision of investment advice to Clients. However, PCMI is reimbursed, at cost, for certain administrative expenses incurred by certain portfolio companies for items such as postage and site-related expenses (such as utilities and insurance), and an affiliate of PCMI is reimbursed, at cost, by certain portfolio companies for certain employment-related costs incurred by such affiliate related to site marketing and maintenance services provided to those portfolio companies. In addition, Messrs. Mandel and Lepene who are owners of Peppertree, also serve on the board of certain portfolio companies and

receive compensation directly from one portfolio company for serving as an officer or employee of the portfolio company.

Peppertree has agreements with certain AMG affiliates to market interests in certain Funds (as described in Item 10). Peppertree also has an agreement with an unrelated third party to market interest in certain Funds, for which it pays the third party a fee based on commitments obtained from certain investor referrals. Investors do not pay any additional charges related to these marketing agreements.

Peppertree does not currently have any agreements in place for a third party to provide Client referrals.

#### **Item 15 - Custody**

Peppertree may be deemed to have custody over the assets of each Fund, as well as the Sub-Advised Fund, according to the custody rule set forth in Rule 206(4)-2 under the Advisers Act. Therefore, Peppertree distributes audited financial statements of each Fund to such Fund's Investors within 120 days of the end of the fiscal year. The audited financial statements are audited by an independent public accountant meeting the requirements of Rule 206(4)-2. Investors should carefully review the periodic reports and annual audited financial statements.

#### **Item 16 - Investment Discretion**

Peppertree has full discretionary authority with respect to investment decisions for the Funds and SDF, and its advice with respect to all Clients is provided in accordance with the investment objectives and guidelines as set forth in their respective investment advisory agreement and/or PPM and constituent documents. Any investment limitations are described in each Client's relevant documents and can be amended from time to time by agreement with such Client.

#### **Item 17 - Voting Client Securities**

The Clients do not currently hold public exchange traded securities. Clients are invested in closely-held companies in which they generally hold all or a majority stake. To the extent shareholder votes (or similar equity holder consents) are required, the Co-Presidents will determine how to vote/consent. The Co-Presidents will first determine whether there is a conflict of interest related to the vote/consent in question between Peppertree and relevant Clients. Service on the Board of Directors of the relevant entity is not necessarily considered a conflict, but may be in specific relevant circumstances. If one Co-President is subject to a conflict, the other will make the voting/consent determination without input from the Co-President so subject. If both are subject to a conflict, they will consult with the CCO on how to manage the determination. The CCO will document any such situation and how it was managed. Clients that would like a copy of Peppertree's complete policy on voting client securities or information regarding how Peppertree voted for particular portfolio companies may contact Peppertree at the e-mail address or phone number on the cover of this brochure, and it will be provided at no charge.

#### **Item 18 - Financial Information**

We are not aware of any financial condition of Peppertree that impairs our ability to meet contractual and fiduciary commitments to the Clients or Fund Investors.