



Disclosure Brochure

March 31, 2015

VII Peaks Capital, LLC
a Registered Investment Adviser
4 Orinda Way, Suite 125-A
Orinda, CA 94563
(415) 983-0127
www.viipeakscapital.com

This brochure provides information about the qualifications and business practices of VII Peaks Capital, LLC (hereinafter “VII Peaks Capital”). VII Peaks Capital is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser. That registration does not imply a certain level of skill and training. If you have any questions about the contents of this brochure, please contact Gurpreet S. Chandhoke at (415) 983-0127. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about VII Peaks Capital, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure dated March 31, 2015 amends the previous Brochure dated September 2, 2014. Below is a summary of the material changes since last year's annual amendment to the Brochure dated March 28, 2014:

1. **Item 4:** The assets under management were updated.
2. **Item 10:** Certain of VII Peaks Capital's Supervised Persons are now registered representatives of Penserra Securities LLC. They were formerly registered with Gordian Investment Solutions.
3. **Item 19:** Bhavin Shah was added.

On September 2, 2014, this brochure was updated with the following changes:

1. **Item 4:** The list of funds was revised to reflect that certain of VII Peaks' funds are no longer in operation. The description of VII Peaks Capital's advisory business was changed to add a description of the investment strategies used and types of investments held by the Co-Optivist Funds. The assets under management were updated.
2. **Item 5:** The fee description for separate accounts was amended to clarify how the fee is calculated. A section relating to all Funds was added to state that in the event VII Peaks Capital conducts capital introduction services to portfolio companies in any of its Funds, VII Peaks Capital will receive compensation in the form of a commission from its affiliate broker-dealer.
3. **Item 8:** Additional information was added about the risk of loss section.
4. **Item 10:** Minor revisions were made to section describing VII Peaks Capital's relationship with affiliates.
5. **Item 15:** Additional information was added to this section reminding clients to carefully review their account statements from qualified custodians and compare their account statements they receive from the custodian with those received from VII Peaks Capital.
6. **Item 19:** The description of Rudolph Galera's background was revised, among other things, to reflect that he is no longer the Chief Compliance Officer of VII Peaks Capital.

On June 30, 2014, this brochure was updated with the following changes:

1. VII Peaks Capital relocated its principal place of business on June 1, 2014 to Orinda, CA.

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Item 4. Advisory Business

VII Peaks Capital, LLC is a registered investment adviser focusing on corporate debt investments and venture capital investments. VII Peaks Capital was formed in April 2009, and has been in business as a registered investment adviser since July 2010. Gurpreet S. Chandhoke and Stephen F. Shea are the principal owners of VII Peaks Capital.

VII Peaks Capital provides discretionary advisory services to separately-managed accounts (“separate accounts”) and investment limited liability companies that are private investment pools: VII Peaks Venture Capital II, LLC, VII Peaks Venture Capital V, LLC, VII Peaks Venture Capital VI, LLC (“Venture Funds”), VII Peaks-KBR Co-Optivist B Fund I, LLC, VII Peaks-KBR Co-Optivist B Fund II, and VII Peaks-KBR Co-Optivist R Fund I, LLC (“Co-Optivist Funds”) and VII Peaks Co-Optivist Income BDC, II, Inc. (the “BDC”) (collectively referred to as the “Funds”). The Funds and the separate accounts are VII Peaks Capital’s current clients.

VII Peaks Capital tailors its advisory services by constructing portfolios that seek to meet the investment objectives, guidelines and other terms of each particular Fund and separate account it manages.

The Venture Capital Funds invest in the preferred equity securities of early stage private technology growth companies. These investments leverage the background and experience that the principals have in the technology industry through a collective career of investment banking and capital raising activities. The separate accounts’ investments are based on individual beneficial owners’ needs, generally focusing on non-performing corporate debt instruments. Some of the separate account clients also invest in one or more of the Funds.

The Co-Optivist Funds and the BDC invest in discounted corporate debt and equity-linked debt securities of public and private companies that trade on the secondary loan market for institutional investors and provide distributions to investors. At the same time, the Co-Optivist Funds and the BDC actively work with the target company’s management to restructure the underlying securities and improve the liquidity position of the target company’s balance sheet. They employ a proprietary “Co-Optivist”TM approach that entails proactively engaging the target company management on average 24 months prior to a redemption event (typically a put or maturity event) to create an opportunity for growth in the investments.

VII Peaks Capital is the investment manager of the Funds. Interests in the Funds with the exception of the BDC are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. Participation as an investor in the Funds is restricted to investors that are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended. In addition, investors also may be qualified clients pursuant to the requirements under Rule 205-3 under the Investment Advisers Act of 1940, as amended.

This Brochure describes the business of VII Peaks Capital. Certain sections will also describe the activities of its Supervised Persons. Supervised Persons are any of VII Peaks Capital’s members and employees, or any other person who provides investment advice on VII Peaks Capital’s behalf and is subject to VII Peaks Capital’s supervision or control.

VII Peaks Capital has \$ \$67,382, 119 of assets under management as of February 28, 2015. VII Peaks Capital is not the sponsor or manager of a wrap fee program.

Item 5. Fees and Compensation

Separate Accounts. VII Peaks Capital generally receives an annual asset based fee (up to 1.5% per annum) from each separate account that it manages, and a fee based on the performance of the account (“incentive fee”) of up to twenty percent (20%) of the net profit of each client account, subject to a preferred return of up to eight percent (8.00%) and a “high water mark.”

The Separate Accounts Fee is calculated by subtracting the amount of the annual investment management fees that is retained by VII Peaks Capital and charged to a client as an expense of the Funds from the Gross Annual Investment Advisory Fee. The Net Annual Investment Advisory Fee is the fee that will be paid directly by a client for the services provided by VII Peaks Capital.

With respect to the separate accounts, VII Peaks Capital’s annual base fee is prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. VII Peaks Capital’s incentive fee is charged annually, in arrears, based on the net gains of the client’s portfolio at the end of the calendar period.

A minimum of \$250,000 of assets under management will typically be required for services. All separate account fees and account minimums are negotiable.

In addition to VII Peaks Capital’s investment management or other fee, separate accounts will also bear administrative, custodial, brokerage and similar transaction costs or expenses associated with the account, as each separate account client’s investment management agreement provides.

Clients may make additions to and withdrawals from their account at any time, subject to VII Peaks Capital’s right to terminate an account. Additions may be in cash or securities provided that VII Peaks Capital reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account.

VII Peaks Capital’s fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Co-Optivist Funds and the BDC. VII Peaks Capital generally receives an annual asset based fee from each Co-Optivist Fund that it manages, generally 1.5% per annum of the value of the Fund’s assets under management, charged quarterly in arrears. In addition, VII Peaks Capital is entitled to a special allocation of profits as described in the funds’ offering materials.

Venture Funds. VII Peaks Capital receives a one-time asset based fee from each Venture Fund that it manages, based on the capital commitment of each investor, charged in advance at the time of investment. In addition, VII Peaks Capital is entitled to a special allocation of profits at the time

the investment is realized. The amount of VII Peaks Capital's profit allocation is up to twenty percent (20%) as described in each Fund's agreement.

In addition to VII Peaks Capital's investment management fees and performance allocations, the Funds also bear all expenses incurred in connection with their operation and administration, including among other things, legal, accounting and audit fees and expenses, governmental fees and taxes and professional fees, communications with investors and all other reasonable costs related to the management and operation of each Fund.

The Funds' investments, with the exception of the BDC, are in private equity securities and are, therefore illiquid. Except for the BDC, investors may not withdraw from the Funds until the investment is realized.

VII Peaks' Funds. In the event VII Peaks Capital conducts capital introduction services to portfolio companies in any of our Funds, VII Peaks Capital will receive compensation in the form of a commission from their affiliate broker-dealer. NOTE THAT THESE INVESTORS ARE MAKING A DIRECT INVESTMENT WITH THE UNDERLYING PORTFOLIO COMPANY AND NOT A MEMBER/INVESTOR IN THE SAID VII PEAK FUND(S).

Item 6. Performance-Based Fees and Side-by-Side Management

The performance fee may be an incentive for VII Peaks Capital to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In addition, where VII Peaks Capital charges performance-based fees and also provides similar services to accounts not being charged performance-based fees, there is an incentive to favor accounts paying a performance-based fee. Currently, all of VII Peaks Capital's clients pay performance-based compensation. Therefore, currently VII Peaks Capital does not face any conflicts of interest associated with differing fee arrangements among clients.

Item 7. Types of Clients

VII Peaks Capital's current clients are the Funds and the separate accounts. The beneficial owners of the separate accounts are individuals.

Minimum Account Size and Minimum Investment Requirement

As a condition for starting and maintaining a relationship, VII Peaks Capital generally imposes a minimum portfolio size of \$250,000 for separate accounts, as well as a minimum investment requirement in the Funds. VII Peaks Capital, in its sole discretion, may accept clients with smaller portfolios.

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

Methods of Analysis

VII Peaks Capital's primary methods of analysis are fundamental, technical and cyclical.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. VII Peaks Capital will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that VII Peaks Capital will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that VII Peaks Capital is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

VII Peaks Capital employs a proprietary investment strategy of "cooperative activism," referred to as the VII Peaks Co-Optivist™ approach. The VII Peaks Co-Optivist™ approach involves investing in discounted corporate debt securities of public companies that have a perceived risk of near-term liquidity issues, but have solid fundamentals and business prospects, including historical revenue growth, positive cash flow, and sufficient asset coverage.

The VII Peaks Co-Optivist™ approach includes proactively engaging the target company's management to help restructure the underlying corporate debt securities and de-lever the target company's balance sheet and improve overall liquidity.

VII Peaks Capital has also implemented a proprietary process for selecting and implementing investments:

Opportunity Identification

VII Peaks Capital identifies targets based on VII Peaks Capital's investment criteria. VII Peaks Capital then establishes or maintains dialogue with management and financial advisors of top priority targets and bondholders of top priority targets. VII Peaks Capital also develops a preliminary investment thesis and short-form overview for top priority targets.

Investment Committee

The Investment Committee is presented with a short-form overview of top priority targets, and approves those targets for which VII Peaks Capital will proceed. VII Peaks Capital then performs in-depth company and industry due diligence and valuation analyses, and presents a final memorandum to the Investment Committee for approval.

Portfolio Management

Once the Investment Committee has given final approval, VII Peaks Capital acquires the complete position before approaching management to commence debt restructuring. In addition, VII Peaks Capital communicates with other stakeholders, including bondholders, to garner feedback on proposed terms for debt exchange. After considering such feedback, VII Peaks Capital begins communications with the target's financial advisors.

Exit Investment

After the restructuring event is public, VII Peaks Capital evaluates the investment exit opportunities. Depending on the market reaction to the restructuring event, VII Peaks Capital evaluates other potential transactions for additional returns before exiting the investment.

Risks of Loss

Market Risks

The profitability of a significant portion of VII Peaks Capital's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that VII Peaks Capital will be able to predict those price movements accurately.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. We invest primarily in senior secured loans, second lien secured loans and subordinated debt of private U.S. companies. We may also invest in securities of foreign companies.

Senior secured loans and second lien secured loans. There is a risk that any collateral pledged by portfolio companies in which we have taken a security interest may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. To the extent our debt investment is collateralized by the securities of a portfolio company's subsidiaries, such securities may lose some or all of their value in the event of the bankruptcy or insolvency of the portfolio company. Also, in some circumstances, our security interest may be contractually or structurally subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be

accompanied by deterioration in the value of the collateral for the loan. Loans that are under-collateralized involve a greater risk of loss. Consequently, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan's terms, or at all, or that we will be able to collect on the loan should we be forced to enforce our remedies.

Subordinated debt. Our subordinated debt investments will generally rank junior in priority of payment to senior loans and will generally be unsecured. This may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect our investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject us and our stockholders to non-cash income. Since we will not receive any principal repayments prior to the maturity of some of our subordinated debt investments, such investments will be of greater risk than amortizing loans.

In addition, we invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and illiquid.

Equity investments. We may make select equity investments. In addition, when we invest in senior secured and second lien secured loans or subordinated debt, we may acquire warrants to purchase equity securities. The equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

Non-U.S. securities. We may invest in non-U.S. securities, which may include securities denominated in U.S. dollars or in non-U.S. currencies, to the extent permitted by the 1940 Act. Because evidences of ownership of such securities usually are held outside the United States, we would be subject to additional risks if we invested in non-U.S. securities, which include possible adverse political and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions which might adversely affect or restrict the payment of principal and interest on the non-U.S. securities to investors located outside the country of the issuer, whether from currency blockage or otherwise. Since non-U.S. securities may be purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected unfavorably by changes in currency rates and exchange control regulations.

Privately held companies. We invest a portion of our assets in privately held companies which presents certain challenges, including the lack of available information about these companies. Investments in private companies pose certain incremental risks as compared to investments in public companies including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the

value of any collateral and a reduction in the likelihood of us realizing any guarantees we may have obtained in connection with our investment;

- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and members of the Advisor's management may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies.

In addition, investments in private companies tend to be less liquid. The securities of private companies are often not publicly traded or actively traded on the secondary market and are, instead, traded on a privately negotiated over-the-counter secondary market for institutional investors. These privately negotiated over-the-counter secondary markets may be inactive during an economic downturn or a credit crisis. In addition, the securities in these companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. If there is no readily available market for these investments and we are required to liquidate all or a portion them quickly, we may realize significantly less than the value at which purchased them. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we, our Manager or any of their respective affiliates have material nonpublic information regarding such portfolio company or where the sale would be an impermissible joint transaction. The reduced liquidity of our investments may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

Finally, little public information generally exists about private companies and these companies may not have third-party debt ratings or audited financial statements. We must therefore rely on the ability of our Manager to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments.

Options. Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total

loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Item 9. Disciplinary Information

VII Peaks Capital is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. VII Peaks Capital does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

VII Peaks Capital is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. VII Peaks Capital has described such relationships and arrangements below.

Registered Representatives of Broker Dealer. Certain of VII Peaks Capital's Supervised Persons are registered representatives of Penserra Securities LLC ("Penserra"), a registered broker-dealer and member of FINRA. Penserra may charge brokerage commissions to effect securities transactions unrelated to the Funds, and thereafter, a portion of these commissions may be paid by Penserra to such Supervised Persons.

A potential conflict of interest could exist to the extent a VII Peaks Capital advisory client or investor in a Fund is also a brokerage client of one of these Supervised Persons. VII Peaks Capital has procedures in place to ensure that no advisory client or investor of a Fund is also a brokerage client of one of these Supervised Persons. VII Peaks Capital does not have a selling agreement with Penserra or any of its supervised persons. Therefore, none of Penserra's registered representatives are able to sell any of the Funds.

VII Peaks Capital's Supervised Persons who are registered representatives of Penserra currently devote less than five percent (<5%) of their time to commission securities brokerage business.

Item 11. Code of Ethics

VII Peaks has adopted a written code of ethics that governs the actions of its employees to help ensure that violations of the Federal Securities Laws regarding personal securities transactions do not occur and that the Firm meets its fiduciary duty to clients by dealing with them justly and equitably. This document also governs the personal securities transactions of its personnel.

VII Peaks' Code of Ethics is based on the principle that an advisor owes its clients a duty of undivided loyalty. As an investment adviser, VII Peaks Capital has a fiduciary responsibility to its clients. Clients' interests must always be placed first. Thus, the personnel of VII Peaks must conduct their personal securities transactions in a manner that does not interfere, or appear to interfere, with any transaction for a client or otherwise takes unfair advantage of a client relationship. Personnel must not take inappropriate advantage of their positions. No personnel shall accept any gift or other thing of more than de minimis value from any person or entity that

does business with or on behalf of VII Peaks Capital.

All personnel of VII Peaks Capital must adhere to these fundamental principles as well as comply with the specific provisions of the Code of Ethics. In particular, it shall be unlawful for any affiliated person of the Advisor, in connection with the purchase or sale, directly or indirectly, by such person of any security held or to be acquired by any client of the Advisor to:

- Employ any device, scheme or artifice to defraud the client;
- Make to the client any untrue statement of a material fact or omit to state to any client a material fact necessary in order to make the statement made, in light of the surrounding circumstances, not misleading;
- Engage in any act, practice or course of business that operates or would operate as a fraud or deceit on any client; or
- Engage in any manipulative practice with respect to any client.

VII Peaks prohibits employees from trading on material non-public information, either personally or on behalf of other individuals (including clients), and from communicating material non-public information to other individuals in violation of law.

VII Peaks Capital maintains a current restricted list of issuers of securities that it analyzing and/ or recommending and/or invests in. No Access Person shall purchase or sell, directly or indirectly, any security in which he or she has, or by reason of such transaction shall acquire, any direct or indirect Beneficial Ownership in any security that is on such list.

In accordance with Section 204A of the Advisers Act, VII Peaks Capital also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by VII Peaks Capital or any of its Supervised Persons. In addition, because the nature of the investments that VII Peaks Capital makes could result in material non-public information being attained by separate account clients that have access to their specific holdings, VII Peaks Capital requires such clients to certify that they will not trade in the underlying securities.

Clients and prospective clients may contact VII Peaks Capital to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

For separate account clients, VII Peaks Capital generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services, Charles Schwab & Co., Inc. and/or Pershing, LLC.

Separate account clients may direct VII Peaks Capital in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and VII Peaks Capital will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by VII Peaks Capital (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the

account than would otherwise be the case. Subject to its duty of best execution, VII Peaks Capital may decline a client's request to direct brokerage if, in VII Peaks Capital's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

VII Peaks Capital has full discretion in selecting broker-dealers for Fund transactions. Factors which VII Peaks Capital considers in selecting broker-dealers for separate account clients' trades include their respective financial strength, reputation, execution, pricing, research and service.

The commissions paid by VII Peaks Capital's clients comply with VII Peaks Capital's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified broker-dealer might charge to effect the same transaction where VII Peaks Capital determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers' services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. VII Peaks Capital seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions for each client generally will be effected independently, unless VII Peaks Capital decides to purchase or sell the same securities for several clients at approximately the same time. VII Peaks Capital may (but is not obligated to) combine or aggregate such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among VII Peaks Capital's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among VII Peaks Capital's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that VII Peaks Capital determines to aggregate client orders for the purchase or sale of securities, including securities in which VII Peaks Capital's Supervised Persons may invest, VII Peaks Capital generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. VII Peaks Capital does not receive any additional compensation or remuneration as a result of the aggregation. In the event that VII Peaks Capital determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, VII Peaks Capital may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts;

or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist VII Peaks Capital in its investment decision-making process. Such research generally will be used to service all of VII Peaks Capital's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because VII Peaks Capital does not have to produce or pay for the products or services.

Software and Support Provided by Broker-Dealers

VII Peaks Capital may receive from certain broker-dealers, without cost to VII Peaks Capital, computer software and related systems support, which allow VII Peaks Capital to better monitor client accounts maintained at such broker-dealers. VII Peaks Capital may receive the software and related support without cost because VII Peaks Capital renders investment management services to clients that maintain assets at these broker-dealers. The software and related systems support may benefit VII Peaks Capital, but not its clients directly. In fulfilling its duties to its clients, VII Peaks Capital endeavors at all times to put the interests of its clients first. Clients should be aware, however, that VII Peaks Capital's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence VII Peaks Capital's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Item 13. Review of Accounts

For those clients to whom VII Peaks Capital provides investment management services, VII Peaks Capital monitors those portfolios as part of an ongoing process. VII Peaks Capital's portfolio managers review client accounts on an as needed basis depending on market conditions. These reviews are designed to monitor and analyze client transactions, positions, and investment levels. The reviews are conducted by Gurpreet S. Chandhoke.

Separate account clients are provided with regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients may also receive monthly and/or quarter unaudited financial statements and investor reports. Annually, investors in the Funds will receive audited financial statements. In addition, a Portfolio Management's discussion letter regarding the results of operations, management, market environment, investment performance and other matters will also be included. Additional reports may be available upon request of the clients. Clients should compare the account statements they receive from their broker-dealer or custodian with those they receive from VII Peaks Capital.

Item 14. Client Referrals and Other Compensation

VII Peaks Capital is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, VII Peaks Capital is required to disclose any direct or indirect compensation that it provides for client

referrals. VII Peaks Capital does not have any client referral or other compensation arrangements other than as described under Item 10 and Item 12.

Item 15. Custody

VII Peaks Capital maintains custody of its clients' assets with qualified custodians, currently Fidelity Investments, Millennium Trust Company, Charles Schwab & Co., and Morgan Stanley. VII Peaks Capital's agreement with its separate account clients authorizes VII Peaks Capital to instruct the custodians to debit the client's account for the amount of VII Peaks Capital's fee and to directly remit that management fee to VII Peaks Capital.

VII Peaks Capital, as the Venture Funds' manager and investment manager with full power of attorney is deemed to have "custody" of the Funds' assets. VII Peaks Capital employs a reputable, PCAOB¹- registered independent accountant performs an annual audit of the Funds' financial statements in accordance with generally accepted accounting principles, which are then sent to each investor in the Funds within 120 days from the end of the applicable fiscal year.

Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from VII Peaks Capital. When clients have questions about their account statements, they should contact VII Peaks Capital or the qualified custodian preparing the statement.

Item 16. Investment Discretion

VII Peaks Capital is given the authority to exercise discretion on behalf of clients. VII Peaks Capital is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. VII Peaks Capital is given this authority through a power-of-attorney included in the agreement between VII Peaks Capital and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). VII Peaks Capital takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer to be used; and
- The commission rates to be paid to such broker-dealers.

¹ PCAOB is the Public Company Accounting Oversight Board, a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports. The PCAOB also oversees the audits of broker-dealers, including compliance reports filed pursuant to federal securities laws, to promote investor protection.

Item 17. Voting Client Securities

VII Peaks Capital as a matter of policy does not accept responsibility for voting proxies for portfolio securities held within client accounts, with the exception of ERISA accounts. In the event VII Peaks Capital accepts responsibility for voting a client's proxies, it maintains these written policies and procedures as to the handling, research, voting and reporting of proxy voting.

Item 18. Financial Information

VII Peaks Capital does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, VII Peaks Capital is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. VII Peaks Capital has no disclosures pursuant to this Item.

Item 19. Principal Executive Officers and Management Persons

Below is the formal education and business background of each of VII Peaks Capital's principal executive officers and management persons:

GURPREET S. CHANDHOKE

Gurpreet Chandhoke is a Managing Partner and the Chief Investment Officer of VII Peaks Capital. Prior to joining VII Peaks Capital, Mr. Chandhoke was a Senior Vice President at Deutsche Bank's Technology Investment Banking Group. Prior to Deutsche Bank, Mr. Chandhoke worked at UBS Investment Bank's Technology Investment Banking Group. Mr. Chandhoke has nearly six years of investment banking experience during which he led several different types of debt issuance and restructuring discussions and transactions with technology companies and financial sponsors. Mr. Chandhoke has also participated in a wide range of corporate finance and M&A transactions in the Internet, Enterprise Software, Enterprise Infrastructure and Communications Technology sectors. Mr. Chandhoke has been involved in issuing nearly \$20 billion of corporate debt and has worked on over \$40 billion of corporate finance and M&A transactions.

Mr. Chandhoke holds a MSEE and MSME from the University of Minnesota, a BE in Electrical Engineering from the Government College of Engg, University of Pune, India. He also holds an MBA from The Wharton School at the University of Pennsylvania. Mr. Chandhoke was chosen as a J.N. Tata Scholar to pursue his graduate studies in the United States.

STEPHEN F. SHEA

Mr. Shea is a Managing Partner of VII Peaks Capital. Prior to joining VII Peaks Capital, Mr. Shea worked as a consultant through his own firm, Shea Financial, LLC, with investment banking and venture/private equity teams, and assisted registered investment advisers integrate and build out offerings into distribution channels as a result of his long standing relationships with Schwab, Fidelity, TD and other wire houses. He also advised hedge funds on new seeding opportunities in the commodities/futures space.

Prior to his consulting work, Mr. Shea was Vice President of Institutional Sales RIA Team for Fidelity Investments in San Francisco, spending the majority of his time as a director of sales for

institutional investment managers, RIA wealth management teams, and banks and trust companies. In addition, while at Fidelity, he was responsible for the signing, business development and retention of SEC registered RIA relationships in San Francisco and the Pacific Northwest. Prior to working for Fidelity Investments, Mr. Shea worked for Wentworth, Hauser and Violich Investment Counsel. At Wentworth, he was a member of the stock selection and investment policy committees. He co-developed an open architecture WRAP, Sub-Advised, RIA platform. In Mr. Shea's four years with Wentworth, he executed 16 sub-advised agreements raising an aggregate of \$4 billion. Prior to working at Wentworth, Mr. Shea worked with Deutsche Bank/Alex Brown. At Deutsche Bank/Alex Brown, Mr. Shea acted as a lead financial advisor for many top technology executives.

Mr. Shea graduated with a BS in Business/Finance from St. Mary's College in California.

RUDOLPH A. GALERA

Mr. Galera serves as the Chief Operating Officer of VII Peaks Capital. He is a highly accomplished visionary executive with extensive background in creating and developing successful investment platforms for ultra-high-net-worth family offices and RIAs. Prior to joining VII Peaks Capital, Mr. Galera was the Chief Administrative Officer of CTC Consulting/Harris myCFO for nearly 10 years where they managed over \$40 billion in AUM. He was also part of wealth management teams at C.E. Unterberg Towbin and Montgomery Securities in the mid 1990s and early 2000s. Mr. Galera is a results-oriented, decisive leader, with proven success in RIA platform management and strategic initiatives utilizing open architecture custodial platforms and SMA investment management. This expertise is complemented with nearly 19 years of financial service industry experience specializing in restricted stock sales, discretionary portfolio management, venture capital distribution management and hedging strategies for affluent families, executives and closely held businesses. His specialties include the construction and management of investment management consulting platforms, open architectural design and workflow efficiency analysis, and general C- level executive management with heavy influence on current RIA/SEC regulations and fund administration.

Mr. Galera has developed policies and procedures, and has been involved in all aspects of compliance programs.

Mr. Galera has Bachelor of Arts degree from the University of the Pacific and has held the Series 7, 63 and currently holds the Series 65 license. He is a former member of the Pershing LLC's Advisory Board as well as the State Street's Client Advisory Board where he provided input and insight on how both

organizations can better serve their ultra-high-net worth clientele, family offices and institutional relationships.

BHAVIN SHAH

Mr. Shah serves as a member of the VII Peaks Capital Board of Directors and a member of the Investment Committee. He has spent the last 15 years in the investment management and private equity arenas. Mr. Shah's investments have ranged from publicly-traded debt securities and structured fixed income investments to purchases of hard and soft-asset portfolios and in- and/or out-of-court recapitalizations/buyouts. Since April 2014, Mr. Shah has served in the Investment Committee of VII Peaks Capital, LLC. Mr. Shah previously served on the Investment Committee of VII Peaks Capital, LLC from August 2012 to August 2013.

Mr. Shah was a Managing Director at Mount Kellett Capital Management from 2008 to 2010, a multi-strategy investment firm focused on global distressed, special situations and opportunistic investing. From 2010 to present, Mr. Shah has largely focused on personally investing in various special situations opportunities. From 2006 to 2008, Mr. Shah served as a Managing Director of Oak Hill Advisors, a \$10 billion credit-oriented investment firm. Prior to this, Mr. Shah was a Principal/Vice President with the Carlyle Group's distressed and special situation arm, and led the firm's investment sourcing, structuring and execution efforts from 2002 to 2006.

Prior to earning his MBA from the Harvard Business School, Mr. Shah worked with Morgan Stanley's Princes Gate Investors. He also invested in cross-border infrastructure and technology opportunities at Soros Fund Management, and led engagements and helped open and grow the India offices at McKinsey and Company. In addition, Mr. Shah served at The White House as a Legislative Assistant to the President after graduating from the University of Michigan in Ann Arbor with Dual Bachelor of Arts degrees in Economics and Political Science with honors and distinction.