

SCIP Capital Management, LLC

150 E. 52nd Street, 32nd Floor

New York, NY 10022

212-209-8860

www.silfern.com

Part 2A of Form ADV: Firm Brochure

March 31, 2013

This Brochure provides information about the qualifications and business practices of SCIP Capital Management, LLC (“we” or “SCM”). If you have any questions about the contents of this Brochure, please contact us at 212-209-8860 or jcattau@silfern.com. 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.

SCIP Capital Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

Material Changes

As of the date of this amended filing of the Brochure by SCM, there are no material changes to list.

In the future, this section will discuss only specific material changes that are made to the Brochure and will provide our clients with a summary of the changes. We also will provide the date of our last annual update of our Brochure. We will provide you with a summary of any material change to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We also may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting John R. Cattau, our Chief Compliance Officer, at (212) 209-8860 or jcattau@silfern.com.

Additional information about SCM is available on the SEC's web site, www.adviserinfo.sec.gov. The SEC's web site also provides information about persons affiliated with SCM who are registered, or are required to be registered, as investment adviser representatives of SCM.

TABLE OF CONTENTS

Item 1 – Cover Page.....	1.
Item 2 – Material Changes.....	2.
Item 3 – Table of Contents	3.
Item 4 – Advisory Business.....	4.
Item 5 – Fees and Compensation.....	6.
Item 6 – Performance-Based Fees and Side-By-Side Management	8.
Item 7 – Types of Clients	9.
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10.
Item 9 – Disciplinary Information	14.
Item 10 – Other Financial Industry Activities and Affiliations	15.
Item 11 – Code of Ethics	17.
Item 12 – Brokerage Practices	20.
Item 13 – Review of Accounts	21.
Item 14 – Client Referrals and Other Compensation	22.
Item 15 – Custody	23.
Item 16 – Investment Discretion	24.
Item 17 – Voting Client Securities	25.
Item 18 – Financial Information	26.

Advisory Business

Our Organization

SCIP Capital Management, LLC (“we” or “SCM”), a Delaware limited liability company formed in 2006, is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”).

Principal Owners

SCM is a single member limited liability company, the sole member of which is Clive R. Holmes. Mr. Holmes has been the principal owner of SCM since its formation and is a control person of SCM.

Types of Services Offered

SCM provides certain management and administrative services to certain single-purpose limited partnerships and separate accounts (each an “Investment Partnership”, and collectively, the “Investment Partnerships”), interests in which are privately placed with accredited investors or qualified purchasers under a program known as Silverfern Co-Investment Partners. The interests in the Investment Partnerships are intended to be exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the other applicable U.S. federal and state securities laws, “blue sky” laws and other non-U.S. securities laws and regulations in each jurisdiction in which such interests are offered and/or sold. The Silverfern Group, Inc. (“Silverfern”), an affiliate of SCM and a registered broker-dealer, originates proprietary private equity or similar co-investment opportunities. Silverfern originates a wide range of transaction types, including leveraged buyouts, recapitalizations, growth equity investments, and leveraged build-ups. SCM organizes Investment Partnerships to provide accredited investors or qualified purchasers the opportunity to co-invest alongside certain private equity firms and/or other capital sources (each, a “Lead Sponsor”) in a transaction (or series of related transactions) with respect to a target entity, and determined by SCM, in its sole discretion, to be appropriate for the Investment Partnership. The only advisory clients of SCM are the Investment Partnerships.

SCM generally provides investment advisory services to each Investment Partnership pursuant to a separate investment advisory agreement (each, an “Advisory Agreement”). The terms of the investment advisory services to be provided by SCM to an Investment Partnership, including any specific investment guidelines or restrictions, are set forth in the Advisory Agreement. These guidelines may include investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of portfolio companies, and advising the general partner of each Investment Partnership as to disposition opportunities.

These Investment Partnerships may be organized as either domestic or non-U.S. limited partnerships that are intended to be exempt from registration as investment companies under the Investment Company Act of 1940 (the “Investment Company Act”) in reliance on certain exemptions thereunder. A description of each Investment Partnership and the terms of an investment therein is set forth in the confidential offering materials for the Investment Partnership.

SCM or its related entities also may enter into side letter agreements with certain investors in the Investment Partnerships, establishing rights under, or supplementing or altering the terms of, the applicable limited partnership agreements and subscription agreements relating to such Investment Partnerships with respect to such investors. While SCM has no obligation to offer all such additional rights, terms or conditions to any other investor in such Investment Partnerships, SCM generally discloses such arrangements to all limited partners of the relevant Investment Partnership. Once invested in an Investment Partnership, investors cannot impose additional investment guidelines or restrictions on such Investment Partnership.

SCM has entered into an agreement with Citi Private Bank and its global affiliates to privately place interests in Investment Partnerships as may be formed in the future with such institution's high net worth clients who are accredited investors or qualified purchasers.

Assets Under Management

As of December 31, 2012, SCM managed client assets on a discretionary basis in the amount of \$171.3 million and does not manage any client assets on a non-discretionary basis.

Fees and Compensation

Structuring Fee: SCM charges a one-time structuring fee to all investors in connection with their participation in their first Investment Partnership (the “Structuring Fee”). The Structuring Fee is non-refundable and is capitalized into the investor’s capital account for such first Investment Partnership. The Structuring Fee is non-negotiable.

Management Fee: As consideration for services relating to the evaluation, procurement and management of the investments, the investors in each Investment Partnership are issued capital calls, quarterly in advance, for management fees due to SCM (the “Management Fee”) in an aggregate amount equal to (i) two percent (2.00%) per annum of such investor’s capital commitments to the Investment Partnership during the commitment period (5 years from the initial closing of the Investment Partnership) and (ii) after the expiration of the commitment period and with respect to each investor, two percent (2.00%) per annum of such investor’s capital contributions to the Investment Partnership, including (if applicable) any such capital contributions that have been returned to such investor. The Management Fee is non-negotiable.

The Management Fee for any period in which SCM serves as investment manager for less than a full quarterly period shall be prorated on the basis of the number of days in the period compared to the number of days the Investment Partnership and its assets were managed by SCM during the period. Upon termination of an investment management services agreement by SCM, any prepaid, unearned Management Fees will be promptly refunded, and any earned, unpaid Management Fees will be due and payable.

SCM’s Management Fees are exclusive of any brokerage commissions, transaction fees, and other related costs and expenses incurred by the investor. Investors in each Investment Partnership receive capital calls for operating expenses incurred on their behalf by the Investment Partnership, in arrears on a quarterly basis. Each Investment Partnership may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Carried Interest: In addition to the Structuring Fee and the Management Fee payable to SCM, the general partner of each Investment Partnership is entitled to receive a performance allocation (the “Carried Interest”) calculated on a cumulative basis of up to twenty percent (20.00%) of the realized profits earned from investments by the Investment Partnership. Carried Interest is determined after the return to the investors of all capital contributions plus a preferred return, as described in the offering and organizational documents for the relevant Investment Partnership. The Carried Interest is not allocated to the general partner until proceeds are realized from an investment. The Carried Interest is non-negotiable.

Reimbursements are payable to SCM by each Investment Partnership for Operating Expenses (quarterly in arrears), Investment Expenses (one-time, relating to the costs incurred in consummating the investment and any such costs and expenses relating to potential investments that are not consummated) and Organizational Expenses (one-time, relating to the formation of the Investment Partnership and its affiliated entities). These expense reimbursements are disclosed to investors in the relevant offering documents and/or limited partnership agreement for each Investment Partnership and are in addition to the Structuring Fee, Management Fees and Carried

Interest discussed above. All such expenses are capitalized into the capital account for each investor in each Investment Partnership on a pro-rata basis and are non-negotiable.

Operating Expenses generally relate to the Investment Partnership's activities, operations and meetings (other than expenses resulting from the fraud, gross negligence or willful misconduct of its general partner or SCM) including, without limitation, fees, costs and expenses directly related to custodians, consultants, outside counsel, accountants and auditors; the cost of insurance; any taxes (including tax return preparation and filing fees), fees or other governmental charges levied against the Investment Partnership; expenses relating to any audit, investigation, governmental inquiry or public relations undertaking; and the costs and expenses of any litigation relating to the activities or operation of the Investment Partnership and the amount of any judgments or settlements paid in connection therewith, relating to the business, activities and interests of the Investment Partnership.

Certain existing investors (the "Anchor Investors") have signed side letters with terms different from those disclosed above. Anchor Investors may be charged lower Management Fees and may attract lower Carried Interest based on the aggregate amount of capital invested across all Investment Partnerships into which such Anchor Investor has invested with SCM. Anchor Investors pay their pro-rata share of all other expenses in each Investment Partnership in which they invest.

SCM professionals who are also registered representatives of Silverfern may share in the receipt of transaction fees paid by Lead Sponsors in connection with Silverfern's services in originating the investment. SCM will not receive any portion of such transaction fees, however the transaction fee may provide an incentive for SCM to recommend a transaction to prospective investors. The conflict is managed by having Silverfern's transaction fee not contingent on the investment decision by the SCM Investment Committee, and by having an independent voting member on the SCM Investment Committee who is not able to share in such transaction fees.

From time to time, investors may have the option of participating in co-investments with SCM that do not involve transaction fees for Silverfern's services. Item 10 has further disclosure on the conflicts involved with entities affiliated to SCM.

Performance-Based Fees and Side-By-Side Management

As noted in Item 5 above, the general partners of the Investment Partnerships are entitled to receive Carried Interest. SCM will not receive any portion of the Carried Interest; however, certain investment professionals of SCM will participate in such Carried Interest. The Carried Interest is charged in accordance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Although the existence of the Carried Interest is intended to align the interests of the general partners and the principals of SCM with the interests of the limited partners, it may also create an incentive for SCM and the individuals who are entitled to receive a portion of such fees to manage investments in a more aggressive manner than they might otherwise do in the absence of performance-based compensation. SCM acts in good faith to ensure that: 1) the limited partners in the Investment Partnerships are treated fairly and equitably; and 2) that SCM meets its general fiduciary obligation to act in the best interests of its clients.

Types of Clients

The only advisory clients of SCM are certain single-purpose limited partnerships (each an “Investment Partnership”, and collectively, the “Investment Partnerships”), interests in which are privately placed with accredited investors or qualified purchasers under a program known as Silverfern Co-Investment Partners. The interests in the Investment Partnerships are intended to be exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the other applicable U.S. federal and state securities laws, “blue sky” laws and other non-U.S. securities laws and regulations in each jurisdiction in which such interests are offered and/or sold. Investors may include, among others, high net worth individuals, trusts, estates, corporations, limited partnerships and limited liability companies.

These Investment Partnerships may be organized as either domestic or non-U.S. limited partnerships that are intended to be exempt from registration as investment companies under the Investment Company Act of 1940 (the “Investment Company Act”) in reliance on certain exemptions thereunder. A description of each Investment Partnership and the terms of an investment therein is set forth in the confidential offering materials for the Investment Partnership.

The minimum investment in each Investment Partnership is \$2,500,000 per investor, although SCM may elect to accept such smaller investment amounts as it determines in its sole discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

SCM's investment strategy is to co-invest, on behalf of an Investment Partnership, in proprietary investment opportunities with top-performing private equity firms and/or other capital sources (each, a "Lead Sponsor") in control-oriented private equity investments in middle-market companies across various industry sectors, geographies, Lead Sponsors, and transaction types. The investment opportunities in which SCM co-invests typically are originated by Silverfern, but SCM may consider other co-investment opportunities.

SCM considers a wide range of transaction types, including leveraged buyouts, recapitalizations, growth equity investments, and leveraged build-ups, with co-investment equity amounts typically ranging from \$25 million to \$150 million per deal (of the \$100 million to \$750 million of total equity typically invested per deal). SCM does not limit the potential investment opportunities it considers to any particular part of the world.

In evaluating potential investments, SCM conducts extensive due diligence to analyze, among other things, the target company's: (i) market and competitive position within that market, (ii) cost and revenue structures, (iii) unique assets, such as brand strength, distribution capability and intellectual property, (iv) management team and compensation structure, (v) contingent liabilities (environmental, regulatory, accounting or otherwise), (vi) potential growth opportunities, and (vii) potential exit strategies.

The investment strategies described above involve a substantial degree of risk, and the Investment Partnerships may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above include the following, each of which is described in more detail in the applicable Investment Partnership's offering materials.

Risk of Loss

General. Prices of securities of the underlying company in certain Investment Partnerships can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumors and sentiment. While presenting the opportunity for gains, investment in an Investment Partnership involves a high degree of risk and is suitable only for investors that have no immediate need for liquidity of the amount invested and can withstand a loss of their entire investment in the Investment Partnership. Past performance of investment entities associated with the principals or officers of SCM or their affiliates is not necessarily indicative of future results and provides no assurance of future success.

Lack of diversification. Each Investment Partnership is expected to co-invest in one portfolio company only. Accordingly, each Investment Partnership's aggregate return is entirely dependent on the performance of that single portfolio company.

Dependence on Key Personnel. The success of the Investment Partnerships will be highly dependent on the financial and managerial expertise of the principals of SCM and its affiliates. The loss of the services of one or more of the principals could have an adverse impact on the ability of the Investment Partnerships to realize their investment objectives.

Reliance on Portfolio Company's Management Team. The management teams of the underlying portfolio companies are responsible for managing their respective companies' day-to-day operations. There can be no assurance that the existing management team, or any successor, will be able to operate a portfolio company successfully in accordance with SCM's due diligence.

Economic Risk. The performance of an Investment Partnership may be adversely affected by a downturn in the economies in which the underlying portfolio company operates, which is not under the control of the Investment Partnership's general partner or SCM.

Risks Associated with Foreign Investments. SCM offers co-investment opportunities in both United States and non-U.S. companies. Investing outside the United States may involve substantially greater risks than investing in the United States. Investments in the securities of foreign issuers may be restricted or controlled to varying degrees, and require consideration of certain risks typically not associated with investing in US securities or property, including, among other things, trade balances and imbalances and related economic policies, potential price volatility in, and relative illiquidity of, some non-US securities markets, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the US or foreign governments, US, foreign or other withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, and political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

Leveraged Nature of Co-Investments. The underlying portfolio companies in certain Investment Partnerships may employ leverage. The leveraged capital structure of such companies may increase the exposure of the co-investment to any deterioration in the company's condition or industry, competitive pressures, adverse economic developments and rising interest rates.

Illiquidity of Limited Partner Interests. The limited partner interests in each Investment Partnership are expected to be issued in reliance upon certain exemptions from registration or qualification under applicable U.S. federal and state securities laws and other non-U.S. securities laws and regulations in each jurisdiction in which such interests are offered and/or sold and, accordingly, will be subject to certain restrictions on transferability. There will be no public market for the interests in the Investment Partnerships, and none is expected to develop. Interests in the Investment Partnerships constitute illiquid investments and may therefore be difficult to value and to sell or otherwise liquidate.

Legal, Tax and Regulatory Risks. An investment in an Investment Partnership involves complex tax considerations that will differ for each investor. Prospective investors should consult their own tax advisors with specific reference to their own situations concerning a commitment in an Investment Partnership, including amongst other considerations the possibility that the Investment Partnership may generate taxable income to its investors in an amount greater than cash available for distribution. In addition, legal, tax and regulatory changes could occur during the term of the Investment Partnership that may adversely affect the Investment Partnership.

Conflicts of Interest. Instances may arise where the interests of the general partner of an Investment Partnership may potentially or actually conflict with the interests of the Investment Partnership and its investors. For example, the existence of the general partner's 20 percent carried interest in the Investment Partnership may create an incentive for the general partner to make investments on behalf of an Investment Partnership that are riskier or more speculative than might be the case in the absence of performance-based compensation. Additionally, SCM may co-invest in the Investment Partnerships. While SCM believes that when it co-invests in an Investment Partnership, its interests generally are aligned with the interests of other investors, it is possible that co-investment may lead to a conflict of interest. Notwithstanding these potential conflicts, SCM will select potential investments that it believes in good faith to be in the best interests of the relevant Investment Partnership and appropriate to meet its investment objectives, as disclosed in its offering and organizational documents.

Market Conditions. Each Investment Partnership will be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances, and such conditions may adversely its performance.

Non-Controlling Investments. An Investment Partnership will typically hold less than 50% of the outstanding voting interests of a portfolio company, or may hold investments in debt instruments or other securities that do not entitle the Investment Partnership to voting rights, and, therefore, the Investment Partnership may have a limited ability to protect its investment in such portfolio company.

Risks Associated with Publicly-Traded Securities. An Investment Partnership may invest in publicly-traded securities, and may hold publicly-traded securities following a partial exit from an investment. Investments in securities of publicly-traded companies may be sensitive to movements in the stock market and trends in the overall economy.

Extensive Government Regulation. Certain Investment Partnerships invest in companies in industries subject to extensive government regulation, which creates additional uncertainty and risks for the relevant Investment Partnership. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect portfolio company success.

Uncertainty Regarding Investments. Although SCM makes every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may involve subjective judgments at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require SCM to rely on limited resources available to it including information provided by the target of the investment and third party consultants, legal advisers, accountants and investment banks. As a result, the due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating an investment opportunity.

Increased Regulatory Scrutiny. The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulation and regulatory oversight. Such scrutiny may increase SCM's and an Investment Partnership's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on SCM, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert SCM's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, SCM's officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. SCM may also be subject to regulatory inquiries concerning securities positions held by an Investment Partnership.

Indemnification. Each Investment Partnership will be required to indemnify its general partner and its affiliates, and their respective officers, directors, agents, stockholders, members and partners for liabilities incurred in connection with the affairs of the Investment Partnership. Such liabilities may be material and may have an adverse effect on the returns to investors. If the assets of the Investment Partnership are insufficient, or if the indemnification obligation of the Investment Partnership arises after the term of the Investment Partnership, the general partner under certain circumstances may recall a portion of the distributions previously made to investors.

Hedging Policies and Risks. In connection with the funding of certain co-investments, the Investment Partnership may employ hedging techniques designed to reduce the risks of such investments, including, without limitation, adverse movements in interest rates, securities prices and currency exchange rates. However, an Investment Partnership is not required to employ hedging techniques in connection with its investments, and may be unable to anticipate all risks against which hedges could be employed. Hedging transactions have inherent risks, including the possible default by the counter-party to the transaction and the illiquidity of the instrument acquired by an Investment Partnership relating thereto. Although hedging transactions may reduce an Investment Partnership's exposure to, among other things, losses from currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns an Investment Partnership.

Broken Deal Costs. SCM may terminate a co-investment process, in its reasonable opinion, if material information is disclosed during SCM's due diligence process that invalidates the investment rationale for such co-investment. If the investor had applied to subscribe to that co-investment, the investor will be liable for a pro-rata portion of certain expenses incurred by SCM or its affiliates. These expenses may include costs related to the formation, structuring, distribution, operation, administration, investment and development (including, without limitation, tax and legal expenses) of the potential co-investment.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of the adviser or the integrity of the adviser's management. SCM does not have any legal, financial or other disciplinary matters to report.

Other Financial Industry Activities and Affiliations

The principals and other persons associated with SCM are registered with The Silverfern Group, Inc., (CRD no. 119266) (“Silverfern”), which is a broker-dealer registered with the Securities and Exchange Commission. SCM and Silverfern share common ownership. Silverfern is principally engaged in the merchant banking business, among other things originating proprietary investment opportunities for private equity firms worldwide.

In connection with Silverfern's merchant banking assignments relating to a particular target company, an opportunity for co-investment with a Lead Sponsor may arise. If SCM in its good faith judgment determines that the co-investment opportunity is attractive, SCM forms an Investment Partnership to make a co-investment in the target company. The portfolio companies in which the Investment Partnerships invest represent both opportunities that Silverfern has originated and opportunities that are brought to either SCM or Silverfern by Lead Sponsors.

Various potential and actual conflicts of interest may arise from the overall investment activities of SCM and its affiliates. The following briefly summarizes the principal conflicts. The references to SCM in this section include SCM's affiliates, partners, members, managers, shareholders, officers, directors and employees. Prospective investors should review the applicable Investment Partnership offering materials and organizational documents, as applicable, for a more extensive description of the risks of investing in the Investment Partnerships.

Relationship with Silverfern's Merchant Banking Business. Silverfern typically receives a success fee upon the completion of a transaction which it has originated or upon which it has been engaged to advise. SCM will not receive any portion of such transaction fees, however where an Investment Partnership makes its co-investment in a portfolio company in connection with a transaction for which Silverfern is providing merchant banking services, the potential receipt of a success fee by Silverfern may provide an incentive for SCM to participate in a transaction in which it otherwise would not participate if the affiliated broker-dealer did not benefit from the transaction, as SCM professionals who are also registered representatives of Silverfern may directly or indirectly share in the receipt of transaction fees paid by Lead Sponsors in connection with Silverfern's services in originating the investment. The conflict is managed by having Silverfern's transaction fee not contingent on the investment decision by the SCM Investment Committee, and by having an independent voting member on the SCM Investment Committee who is not able to share in such transaction fees.

Allocation of Personnel. SCM and its affiliates will devote as much time as they consider necessary to conduct the business affairs of the Investment Partnerships in an appropriate manner. However, SCM personnel also work on other projects, and, therefore, conflicts may arise in the allocation of personnel.

Other Fees. SCM may engage and retain strategic advisers, consultants, and other similar professionals who are not employees or affiliates of SCM and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies.

Investor Side Letters. SCM may enter into “side letters” with certain investors in the Investment Partnerships. Such investors may be charged lower Management Fees and may attract lower Carried

Interest based on the aggregate amount of capital invested across all Investment Partnerships into which such Anchor Investor has invested with SCM. Anchor Investors pay their pro-rata share of all other expenses in each Investment Partnership in which they invest. A more detailed description of applicable conflicts of interest is set forth in the offering documents for each Investment Partnership.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

SCM has adopted a Code of Ethics (the “Code”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SCM must acknowledge the terms of the Code annually, or as amended.

Description of SCM’s Code of Ethics

SCM has adopted the Code pursuant to SEC rule 204A-1, for the purposes of establishing the standards of business conduct and fostering a culture of honesty and accountability and assisting those covered by the Code to comply with the Advisers Act. The Code is applicable to all supervised persons of the firm and is available to any investor or prospective investor by contacting SCM in writing and requesting a copy of SCM’s Code of Ethics. Please send written requests to: SCIP Capital Management, LLC, 150 E. 52nd Street, 32nd Floor, New York, NY 10022 Attention: John R. Cattau.

The Code of Ethics contains policies which address the following topics:

Compliance with Federal Securities Laws

Supervised persons are required to comply with all applicable laws in the jurisdictions in which SCM does business, including the U.S. federal securities laws.

Standards of Business Conduct

Consistent with the fiduciary obligations owed to clients, supervised persons are required to act fairly and in the best interest of clients.

Conflicts of Interest

The Code addresses conflicts of interest that may arise in the course of conducting SCM’s business and requires that all supervised persons endeavor to avoid situations that present potential or actual conflicts. Among other things, the Code prohibits certain personal business activities by supervised persons without prior approval, and provides that supervised persons should not engage in activities that might influence or appear to influence decisions made by a supervised person in business transactions involving SCM. In addition to various trading restrictions, personal securities transactions are reviewed by SCM’s compliance personnel.

Treatment of Inside Information

The Code forbids supervised persons from trading, encouraging others to trade or recommending securities or other financial instruments based on material, non-public information. A supervised person in possession of material, non-public information is not permitted to: (i) buy or sell the securities of companies with respect to which such supervised person has non-public information or

(ii) communicate the information outside of SCM except, if necessary, to any client (or any authorized agent of the client) or the general partner of any client.

Restrictions on Personal Investing and Related Activities

SCM imposes certain restrictions on personal investing and related activities designed to prevent conflicts of interest and to guard against the misuse of proprietary or confidential information. SCM maintains and updates a restricted list of securities. In addition, supervised persons are discouraged from engaging in personal trading on a scale that would distract such person from his or her daily responsibilities. Supervised persons are prohibited from investing in an issuer whose securities are under consideration for investment, or have been acquired by, any client of SCM, except, directly or indirectly, through the Investment Partnerships.

Supervised persons are required to receive pre-approval from SCM's Chief Compliance Officer for acquiring direct or indirect beneficial ownership of any security sold in private offerings. The Code requires supervised persons to submit and initial quarterly securities transactions and annual holdings reports. In addition, supervised persons must direct their brokers to supply duplicate copies of all confirmations and monthly brokerage statements for all accounts maintained by the supervised person in which reportable securities are held. If duplicate copies of all confirmations and brokerage statements for all accounts maintained by the supervised person in which reportable securities are held are automatically delivered by the broker-dealer or other institution, supervised persons will not be required to deliver the quarterly securities transactions so long as these brokerage statements contain the same information and are supplied within the same 30-day period after the end of each calendar quarter.

Reporting of Violations and Sanctions

All supervised persons are required to promptly report all violations and apparent violations of the Code to SCM Chief Compliance Officer. A copy of the Code is available to any investor or prospective investor upon request.

Interest in Client Transactions

As in SCM's business generally, SCM will consider the implications of identified actual or potential conflicts of interest and will act in accordance with SCM's internal guidelines and procedures. Certain related persons of SCM (including individual members of the investment team who are registered representatives of Silverfern) may invest in the Investment Partnership and serve on the board of directors of a portfolio company in which an Investment Partnership invests and, in such capacity, will have duties to both the shareholders of such company and to the Investment Partnership. In addition, SCM may have an incentive to recommend to investors to invest in Investment Partnerships in which it or related persons of SCM, including individual members of the SCM investment team who are registered representatives of Silverfern, have a financial interest due to the prospect of receiving Carried Interest as described in Item 5 above.

SCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which SCM has management authority to effect, and will recommend to investment advisory clients or prospective investors, the purchase or sale of securities in which SCM, its affiliates and/or clients, directly or indirectly, have a position or interest. SCM's employees

and persons associated with SCM are required to follow the Code. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of SCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of SCM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, and to reasonably prevent conflicts of interest between SCM and its clients.

It is SCM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. SCM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Brokerage Practices

For each of the Investment Partnerships, SCM has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. SCM will seek the best price and execution available except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services. “Best execution” means obtaining for an Investment Partnership the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer. In selecting brokers or dealers, SCM will consider various factors, including: the reputation, experience and financial stability of the broker-dealer; the ability to maintain SCM’s anonymity; the ability to provide competitive pricing; the size and timing of the transaction; the ability and willingness to commit capital and provide prompt and accurate execution and settlement; whether the broker-dealer makes a market in a security and/or finds sources of liquidity; the nature of the market for the security and the difficulty of execution; the broker-dealer’s trading expertise, including its ability to minimize total trading costs and to trade without unduly impacting the market; the belief that the broker-dealer charges a fair and reasonable fee for each trade, and that the Investment Partnerships have been treated fairly and honestly in prior trades; and the quality of execution, quality of the broker-dealer relationship, quality of service rendered by the broker-dealer in prior transactions, and quality of any proprietary research and investment ideas.

SCM has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from client transactions (so called “soft dollar” arrangements). However, brokers or dealers may be selected who provide research reports and services to SCM, including: proprietary broker-dealer company research and analyses; oral and written reports, statistics and advice about the economy, industries and individual securities’ or company investment opportunities; and reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics, both of which may be attractive for one or more Investment Partnerships or to SCM; and opportunities to confer with company management. In accordance with Section 28(e) of the Securities Exchange Act of 1934, broker-dealers providing such services may be paid commissions on transactions for Investment Partnerships in excess of those that other broker-dealers not providing such services might charge so long as SCM determines in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which SCM exercises investment discretion. Recognizing the value of the brokerage and research services provided, SCM may allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction. SCM will periodically evaluate the overall reasonableness of the brokerage commissions and negotiated terms paid to or made with broker-dealers with respect to client transactions by, among other things, seeking to compare such commissions and terms with the commission rates and negotiated terms being charged by and entered into with other comparable broker-dealers. SCM will also periodically review the past performance of the broker-dealers with whom it has placed orders to execute Investment Partnership transactions in light of the factors discussed above.

Review of Accounts

The investment interests held by the Investment Partnerships are generally private, illiquid and long-term in nature; accordingly, SCM's review of them is not directed toward a short-term decision to dispose of securities. However, SCM closely monitors the portfolio companies of the Investment Partnerships. SCM professionals meet periodically with members of SCM's Investment Committee to update them on portfolio positions and related matters.

Reporting

SCM provides formal written reports to limited partners of its Investment Partnerships on a quarterly basis. The reports include individual investor capital balance information and Investment Partnership performance information. Investors also will receive annual audited financial statements for the Investment Partnership in which they are invested.

Certain investors may request information relating to the Investment Partnership in which they are invested. If the requested information is readily available or may be obtained without unreasonable effort or expense, SCM generally provides the information requested. Consequently, these investors will possess information regarding the business and affairs of the Investment Partnership that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of this information which, in the absence of such information, other investors do not take.

Client Referrals and Other Compensation

We or our affiliates may pay third-party solicitors a portion of the management fee and/or performance fee paid to SCM or its affiliates (although other payment arrangements could exist) to solicit prospective investors in the Investment Partnerships. A prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately borne by SCM and neither the Investment Partnerships nor the investors in the Investment Partnerships will be charged any increased or additional fees or charges. In the U.S., third-party solicitors will be registered as broker-dealers with the SEC or registered representatives of registered broker-dealers. Third-party solicitors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

Custody

SCM may have, or may be deemed to have, custody of certain funds or securities of the Investment Partnerships. Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client's accounts or ownership of or access to client funds or securities (such as through fee deductions).

Most of the assets of the Investment Partnerships are defined as “privately offered securities” and are not required to be held by a “qualified custodian” under the Custody Rule. All other assets of the Investment Partnerships are held in custody by unaffiliated broker/dealers or banks acting in the capacity as “qualified custodians”.

With respect to the Investment Partnerships, SCM is deemed to have custody of their money or securities under the Custody Rule because the general partners of the Investment Partnerships are affiliates of SCM and are deemed to have custody of such money and securities. As a result of SCM's constructive custody of certain Investment Partnership funds and securities, SCM has developed procedures that ensure the safeguarding and protection of the assets of those Investment Partnerships. The qualified custodians of certain Investment Partnerships send quarterly statements directly to the investors in the affected Investment Partnership. Investors should carefully review these statements and are urged to compare these statements to statements received from the Investment Partnership, which statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The Investment Partnerships' financial statements are audited annually by a nationally recognized independent public accountant registered with, and regularly examined by, the Public Company Accounting Oversight Board to conduct annual financial audits of such Investment Partnerships prepared in accordance with U.S. Generally Accepted Auditing Standards and deliver the audited financial statements directly to investors in such Investment Partnerships within 120 days of the end of the Investment Partnerships' fiscal year. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles.

Investment Discretion

As of December 31, 2012, SCM managed assets on a discretionary basis in the amount of approximately \$171.3 million. SCM has discretionary authority with respect to all the Investment Partnerships. Under the terms of a separate management agreement between SCM and each Investment Partnership, SCM received discretionary authority from the Investment Partnerships to select the identity and amount of securities to be bought or sold. In all cases, however, discretion is to be exercised in a manner consistent with the stated investment objectives for each Investment Partnership and the terms of the management agreement.

Voting Client Securities

SCM has been delegated the authority to vote proxies regarding securities held by the Investment Partnerships. SCM has adopted and implemented policies and procedures reasonably designed to ensure that SCM votes proxies in the best interests of the Investment Partnerships. In exercising its voting discretion, SCM seeks to avoid any direct or indirect conflict of interest between the Investment Partnerships and SCM's voting decision.

It is the general policy of SCM to vote or to give consent on all matters presented to security holders in any proxy, and its policies and procedures have been designed with that in mind. However, SCM reserves the right to abstain on any particular vote or otherwise to withhold its vote or consent on any matter if, in the judgment of certain professionals within SCM, the costs associated with voting such proxy outweigh the benefits to the applicable Investment Partnerships or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the applicable Investment Partnerships.

SCM's Investment Committee is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. All proxy voting decisions require a mandatory conflicts of interest review by the SCM Chief Compliance Officer, which includes consideration of whether SCM or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. When the SCM Chief Compliance Officer deems appropriate in his sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the SCM Chief Compliance Officer has the power to retain independent fiduciaries, consultants or professionals to assist with proxy voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

In accordance with the requirements of the Advisers Act, SCM maintains records of its proxy voting for at least five years and, at a limited partner's request, will furnish proxy voting information, free of charge, to the requesting limited partner within a reasonable period of time (usually within ten business days). Limited partners may request proxy voting information by contacting the SCM Chief Compliance Officer at (212) 209-8895 or by writing to SCIP Capital Management, LLC, Attn: John R. Cattau at 150 E. 52nd Street, 32nd Floor, New York, NY 10022.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. SCM has no financial commitment or condition that does or is reasonably like to impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.