

FIRM BROCHURE
(PART 2A OF FORM ADV)



SKCP Fund Management LLC

400 Park Avenue Suite 810
New York, NY 10022

Telephone number: (212) 826-2700
www.skcapitalpartners.com

Contact: to Mark N. Delevie,
General Counsel/Chief Compliance Officer
1515 N Federal Highway, Suite 405
Boca Raton, FL 33432
Telephone: ((561) 362-6370
mdelevie@skcapitalpartners.com

February 15, 2012

This Brochure provides information about the qualifications and business practices of SKCP Fund Management LLC (“SKCP”).

If you have any questions about the contents of this Brochure, please contact Mark Delevie at the phone number or email address listed above. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority, and references in this Brochure to SKCP as a “registered investment adviser” are not intended to imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

SKCP is a newly registered investment adviser with the SEC. As such, this is the initial version of SKCP's Brochure. There is no prior version of the Brochure and no material changes to be noted.

SKCP will amend its Brochure at least annually. Upon making material changes to the Brochure, SKCP will identify and discuss those changes as compared to the previous version of the Brochure. SKCP will provide the date of the last annual update of its Brochure. A summary of the material changes will appear on this page or as a separate document accompanying the Brochure.

ITEM 3 - TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES	II
ITEM 3 - TABLE OF CONTENTS.....	III
ITEM 4 – ADVISORY BUSINESS AND PRINCIPAL OWNERS	1
ITEM 5 – FEES AND COMPENSATION	4
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7 – TYPES OF CLIENTS	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	8
ITEM 9 – DISCIPLINARY INFORMATION	12
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	15
ITEM 12 – BROKERAGE PRACTICES.....	17
ITEM 13 – REVIEW OF ACCOUNTS.....	19
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	21
ITEM 15 – CUSTODY	22
ITEM 16 – INVESTMENT DISCRETION	23
ITEM 17 – VOTING CLIENT SECURITIES.....	24
ITEM 18 – FINANCIAL INFORMATION	25

ITEM 4 – ADVISORY BUSINESS

Item 4.A	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p><u>Description of Advisory Firm</u></p> <p>SKCP Fund Management LLC (“SKCP” or “the Firm”) is a New York based investment management firm with expertise in driving growth and operational improvement in the Firm’s middle market focus sectors. SKCP’s focus sectors are specialty materials, chemicals and healthcare businesses and the Firm’s Managing Directors collectively have substantial operating and investment experience within these sectors.</p> <p>The Firm provides discretionary investment advisory services, advising and managing the investment and reinvestment of assets for SK Capital Partners III, L.P., (the “Partnership” or “Fund III”). The Firm uses the collective operating and investment experience of its Managing Directors to provide advice to Fund III on how to generate long-term value for its limited partners by leveraging and enhancing the management and operating capabilities of the portfolio companies it invests in. This includes advising Fund III on augmenting management talent and processes to drive business improvement, driving revenue growth, improving operating efficiency, improving management of working capital, and completing strategic acquisitions and divestitures. Prudent use of leverage is also a critical component of the Firm’s investment management strategy, as it provides management teams the appropriate degree of flexibility to address each business’ unique constraints, implement operational improvements, and pursue growth and acquisition plans. Although Fund III incorporates leverage into the capital structures of its portfolio companies, whether at the time of the initial investment or subsequently through recapitalizations, doing so is not intended to be a primary source of value creation.</p> <p>SKCP divides the management of its operations between its New York headquarters at 400 Park Avenue, Suite 810, New York, NY 10022 and its second office at 1515 North Federal Highway, Suite 405, Boca Raton, FL 33432. Fund III related activities are handled out of both offices.</p> <p><u>Management Team and Principal Owners</u></p> <p>Dr. Barry B. Siadat co-founded SKCP in 2007 and is a Managing Director. Prior to SKCP, Dr. Siadat was a Managing Director of Arsenal Capital Partners from January 2001 to April 2007, where he served on the Operating Committee and focused on the firm’s investments in specialty materials and chemicals. While at Arsenal, he was the Chairman of the Board of Arsenal portfolio companies <i>Rutherford Chemicals</i>, <i>Reilly Industries</i>, <i>Sermatech International</i>, <i>Velsicol Chemical</i>, and <i>TallyGenicom</i>, and served on the Board of Directors of <i>Vertellus Specialties</i> and <i>Interdynamics</i>. Prior to Arsenal, Dr. Siadat held senior management positions at <i>AlliedSignal/Honeywell International</i>, including Corporate Vice President and Chief Growth Officer, Vice President of Technology and Engineering, and President of Honeywell’s <i>Avient Technologies</i> subsidiary. Prior to AlliedSignal, Dr. Siadat was Vice President of Corporate Technology at <i>W.R. Grace</i>, a \$7.5 billion specialty chemicals and health care company. Dr. Siadat holds a B.S. from the University of Wisconsin, and an M.S. in Polymer Science and Engineering and Ph.D. in Chemical Engineering from the University of Massachusetts, Amherst. Dr. Siadat is Chairman of the Board of</p>
-----------------	---

	<p><i>Aristech Acrylics and Ascend Performance Materials.</i></p> <p>Jamshid Keynejad co-founded SKCP with Dr. Siadat (together the “Founding Members”) and is a Managing Director. Mr. Keynejad throughout his career has acted as a principal and owner with extensive operating experience in manufacturing, distribution, commercial and residential housing development, specialty healthcare and service-related industries both in the U.S. and overseas. Prior to forming SKCP Partners he led numerous investments, the most recent being <i>Signet Diagnostic Imaging Services Group</i>, a leading provider of medical imaging services. Mr. Keynejad received his BSE in mathematics from London University. Mr. Keynejad serves on the Board of Directors of <i>Aristech Acrylics</i> and <i>Ascend Performance Materials</i>.</p> <p>The Founding Members also own controlling interests in SK Capital Investment, LLC and SK Capital Investment II, LLC, both Delaware limited liability companies that serve as the general partners of SK Capital Partners, L.P., (“Fund I”) and SK Capital Partners II, L.P. (“Fund II”), both Delaware limited partnerships</p> <p>Since its inception, the Firm’s management has expanded with three additional Managing Directors Jack Norris, Aaron Davenport and Jim Marden. Four of five Managing Directors were previously senior members of <i>Arsenal Capital</i>. The other managing directors own profits interests in Fund II (one, Jack Norris, owns a small capital interest in Fund II as well). All of the uncommitted capital of Fund II was invested in Fund III at the initial closing of the latter.</p> <p>SKCP is under contract to Fund III to provide investment management services with SK Capital Investment III, LLC, a Delaware limited liability company, serving as the partnership’s General Partner (the “General Partner”). The Firm’s five managing directors own nearly all of the capital and profits interests in the General Partner.</p>
Item 4.B	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>SKCP provides discretionary investment management services, advising and managing the investment and reinvestment of assets for Fund III. Fund III offers limited partner interests only to certain qualified persons, and admission to Fund III is offered only via a “private offering” (<i>i.e.</i>, is not open to the general public.) Fund III interests are sold only to qualified persons who are “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended.</p> <p>Outside of such services to Fund III, SKCP offers no other advisory services. SKCP does not perform any type of financial planning, quantitative analysis, tax planning or market timing services.</p> <p>Specific details relating to the advisory services provided to Fund III, including details relating to fees, liquidity rights and risks, amongst others, are fully disclosed in Fund III’s confidential Private Placement Memoranda (the “Offering Memoranda”) and the Investment Management Agreement between Fund III and SKCP (together with the Offering Memoranda, the “Governing Documents”).</p>

Item 4.C	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>SKCP presently provides investment advice only to Fund III. As such, it has only one client and so the question of tailoring its advisory services to the individual needs of limited partners or accepting limited partner-imposed investment restrictions is not relevant.</p> <p>SKCP as part of its advisory services negotiates side letter agreements on behalf of Fund III with certain large and strategic Fund III limited partners. Such arrangements may have the effect of establishing additional rights or altering or supplementing the terms of the governing documents of the applicable Firm-sponsored investment vehicle with respect to one or more such limited partners in a manner more favorable to such limited partners than those applicable to other limited partners. These additional rights include but are not limited to: rights related to financial reporting and disclosure, due diligence oversight, fee transferability rights, and/or other rights permitted in SKCP's discretion.</p>
Item 4.D	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>SKCP does not participate in wrap fee programs.</p>
Item 4.E	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</p> <p>Note: Your method for computing the amount of "<i>client</i> assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "<i>client</i> assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your <i>brochure</i> in response to this Item 4.E</p> <p>As of 12/31/11, SKCP invests and manages \$500 million in client assets on a discretionary basis. SKCP does not and does not plan to manage any client assets on a non-discretionary basis.</p>

ITEM 5 – FEES AND COMPENSATION

Disclaimer applicable to all sub-items hereto: Limited Partners in Fund III should refer to the Partnership’s governing documents for a complete and detailed understanding of how SKCP is compensated for its advisory services. The information contained herein is a summary and is qualified in its entirety by Fund III’s governing documents.

Item 5.A	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>Note: If you are an SEC-registered adviser, you do not need to include this information in a <i>brochure</i> that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.</p> <p>SKCP is compensated by Fund III based on the provisions of the Investment Management Agreement that was negotiated between SKCP and Fund III. Limited partners and prospective limited partners in Fund III should refer to the Offering Memoranda for a detailed description of the fees. The principal fee is a management fee that is based on the limited partners’ aggregate capital commitments.</p> <p>SKCP may in its sole discretion, waive all or a portion of the management fees to be paid by Fund III, and require that Fund III call capital in the amount of such waived fees to be invested on behalf of the General Partner (“Waiver Contribution”) in satisfaction of a portion of the latter’s capital commitment to Fund III.</p> <p>Because in making Waiver Contributions, SKCP or its affiliate invests capital alongside Fund III and its limited partners, this form of compensation may be distinguished from performance-based compensation that is considered to create a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Per SEC Rule 205-3, performance fees based upon appreciation or growth in a client account strictly require prior written approval from the client. Nevertheless, while SKCP does not believe the Rule applies to Waiver Contributions, nevertheless it has secured the agreement of the client to the same as reflected in the Investment Management Agreement and the Limited Partnership Agreement of Fund III (“LPA”). The Chief Compliance Officer is responsible for ensuring such arrangements are established in accordance with that Rule. Although they are not clients of SKCP, nevertheless for purposes of the Waiver Contributions, the limited partners of Fund III are provided with clear disclosure as to how the Waiver Contributions operate in Fund III and any risks associated with such Waiver Contributions prior to making an investment.</p>
Item 5.B	<p>Describe whether you deduct fees from <i>clients’</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>SKCP bills Fund III for and is paid the management fee quarterly in advance.</p>
Item 5.C	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to</p>

	<p>the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>Fund III will pay to or reimburse SKCP for the expenses, obligations or other liabilities incurred or paid by it in advising and managing Fund III or otherwise providing services to or for the benefit of Fund III, excluding salaries and other compensation of employees of SKCP. These operating expenses include all expenses, costs and liabilities incurred in connection with the identifying, structuring, negotiating, purchasing, monitoring, owning, improving, readying for sale and selling investments in portfolio companies. These expenses also include, but are not limited to legal fees and expenses, accounting fees and expenses, audit fees and expenses and litigation, insurance and tax expenses (to the extent not subject to reimbursement).</p>
Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>As noted above, management fees are payable to SKCP quarterly in advance.</p>
Item 5.E	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to SKCP.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to SKCP.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to SKCP.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to SKCP.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes</p>

	Not applicable to SKCP.
--	-------------------------

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Item 6: If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Not applicable.

ITEM 7 – TYPES OF CLIENTS

Item 7: Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

SKCP presently provides investment advice only to Fund III. As such, it has only one client and so only one *type* of client, which is a private fund.

In the interest of more fulsome disclosure, the following information is provided regarding the limited partners in Fund III. (This information is not required by Item 7, since the limited partners are not clients of SKCP; see also Item 4.C.)

Fund III is a limited partnership organized under Delaware law. Limited partners in Fund III may include, but are not limited to, pension plans, domestic and foreign institutions, corporate and business entities, endowments and foundations, trusts, and high net worth individuals.

Admission to Fund III is not open to the general public. Each limited partner in Fund III must meet certain eligibility provisions whereby interests/shares are generally only offered to (i) U.S. persons who are accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended (“Accredited Investors”).

Minimum capital commitments for limited partners, if any, are specified in the Offering Memoranda. However, the General Partner has discretion to waive this provision.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p><u>Investment Strategies</u></p> <p>SKCP’s Managing Directors recommend investments in industries in which they have prior industry, operating and investing experience. An integrated operating and investment team (the “Management Team”), on an as needed basis and at the request of Fund III, coaches the existing management of Fund III’s operating portfolio companies and upgrades human capital to further drive business transformation. The Firm also advises Fund III and the General Partner on how to influence operations of portfolio partners through board and voting control, corporate carve-outs and entrepreneurial transitions. More detail on the present focus sectors are below:</p> <p><i>Specialty Metals and Chemicals:</i> Specialty materials and chemicals are typically high performance segments of metals, alloys, chemicals, plastics, fibers, ceramics, composites, and other materials that render impactful properties in the production and functionality of a vast array of end products. The “specialty” nature of such materials and chemicals is characterized by differentiated technology, enhanced application know-how and manufacturing processes, and customization of optical, magnetic, electric, thermal, mechanical, or physical properties.</p> <p><i>Healthcare:</i> The U.S. healthcare industry is highly fragmented, and continues to evolve rapidly based on legislative and regulatory changes, technological innovations, and large-scale shifts in demographics among other key drivers. SKCP’s areas of focus within healthcare include Pharmaceuticals and Pharmaceutical Services Medical Devices, Supplies, and Technology Services: Healthcare Services.</p> <p><u>Investment Criteria</u></p> <p>The Firm has an investment committee made up of the five Managing Directors, who make all decisions concerning the advice to be given to Fund III regarding portfolio company investments (see item 13a). However, it is the responsibility of the General Partner to determine whether such investment opportunities are suitable for the Partnership, subject to certain limitations spelled out in the LPA.</p> <p><u>Due Diligence and Analysis</u></p> <p>Different members of the Firm’s Management Team serve as full time functional experts that target opportunities that fit a specific profile, with a focus in specialty materials, chemicals and healthcare market transactions. This focus includes fundamentally sound but under-performing businesses, or businesses whose growth and operating complexities are not easily understood. The Firm maintains flexibility in the types of investments it recommends, reviewing companies by company size, investment stage, financial health, geography, investment amount, type, and structure. It attempts to continually maintain manageable and controllable risks including through the conservative use of financial leverage. It provides advice and direction to Fund III during the entirety of the investment process, from sourcing to realization, ensuring integration and coordination of resources and focus on key</p>
-----------------	--

	value drivers.
Item 8.B	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><i>For a more detailed disclosure of the potential risk factors associated with investing in Fund III, prospective limited partners should refer to the Offering Memoranda. They should carefully consider the risk factors listed in the Offering Memoranda before deciding to invest in Fund III.</i></p> <p><u>General Risks</u></p> <p>Investments in Fund III entail a significant degree of risk and should be undertaken only by limited partners capable of evaluating the risks of Fund III and bearing the risks it represents. There can be no assurance that the Partnership's investment objective will be achieved, and a Limited Partner must be prepared to bear capital losses which might result from investments.</p> <p>Fund III investments may entail the following risks:</p> <p><u>Investment Risks</u></p> <p><i>Risk of Loss:</i> All securities investing and trading activities risk the loss of capital. While SKCP will attempt to moderate these risks, there can be no assurance that Fund III's investment activities will be successful or that limited partners in Fund III will not suffer significant losses. No guarantee or representation is made that Fund III's investment objective will be achieved.</p> <p><i>No Assurance of Investment Return:</i> Fund III's task of identifying and evaluating investment opportunities, managing such investments and realizing a positive return for limited partners is difficult. In addition, the availability of investment opportunities generally will be subject to market conditions. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.</p> <p>There is no assurance that Fund III will be able to invest its capital on attractive terms or continue to generate positive returns for its limited partners over the long term.</p> <p>Thus, there is no guarantee that cash from investments will be sufficient to enable Fund III to make distributions to limited partners. Fund III will have no source of funds from which to pay distributions to the limited partners other than income and gains received from investments and the return of capital.</p> <p><i>Fund III May Not Achieve Results Similar to Past Performance:</i></p> <p>There can be no assurance that Fund III's returns will approach the individual or collective performance that was experienced by the limited partners in other businesses or transactions managed or initiated by SKCP's Managing Directors.</p> <p><i>Illiquid and Long-Term Investments:</i> An investment in Fund III should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are</p>

realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating Fund III (including the annual Management Fee payable to the Manager) may exceed its income, thereby requiring that the difference be paid from Fund III's capital. In addition, there is a significant risk that the Partnership may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy.

Leveraged Investments: Fund III expects to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of Fund III's investment in a given portfolio company. Leverage generally magnifies both Fund III's opportunities for gain and its risk of loss from a particular investment. The use of leverage will also result in interest expense and other costs to Fund III that may not be covered by distributions made to Fund III or appreciation of its investments. In addition, this leverage could accelerate and magnify declines in the value of Fund III's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, Fund III may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of Fund III. Furthermore, the companies in which Fund III will invest generally will not be rated by a credit rating agency.

Limited Transferability: There will be no public market for interests in Fund III, and none is expected to develop. There are substantial restrictions upon the transferability of interests in Fund III under the LPA and applicable securities laws. In general, withdrawals of interests in Fund III are not permitted. In addition, interests in Fund III are not redeemable.

The Management Fee Will Be Paid to SKCP Regardless of Fund III Performance: Whether or not suitable investment opportunities are available to Fund III and regardless of whether Fund III experiences net losses in a particular year or over its term, limited partners will be required to make payments to Fund III to cover the management fee and reimbursement of certain expenses.

Lack of Limited Partner Management Rights: Limited partners have no right or power to take part in the management of Fund III and will only have limited rights to remove the General Partner. Accordingly, a limited partner should not purchase interests in Fund III unless such limited partner is willing to entrust all aspects of the management of Fund III to the General Partner.

Business Risks in Investing in Fund III

Concentration of Investments: Fund III anticipates participating in a limited number of investments principally in the targeted industry sectors. As a result, Fund III's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, Fund III may invest in fewer portfolio companies and thus be less diversified. Since all of Fund III's investments cannot reasonably be expected to perform well or even return capital, for Fund III to achieve above-average returns one or a few of its investments must perform very well. There can be no assurance that this will be the case. The portfolio may be subject to greater risks and a more rapid change in value than would be the case if

	<p>Fund III were required to maintain a wide diversification among industries and investment areas.</p> <p><i>The Loss of Key Personnel May Adversely Affect Fund III:</i> The success of the Partnership is substantially dependent on certain SKCP Managing Directors. Should one or more of these individuals become incapacitated or in some other way cease to participate in the Partnership, its performance could be adversely affected.</p> <p>The terms of any “<i>Key Person Event</i>”, if any, will be defined in the Offering Memoranda.</p> <p><i>Investments with Third Parties in Partnerships and Other Entities:</i> Fund III may co-invest with third parties through partnerships, joint ventures or other entities, thereby placing limitations on Fund III’s control of investment decisions in certain investments. Although the Partnership may not have control over these investments and therefore, may have a limited ability to protect its position therein, the General Partner expects that appropriate rights will be negotiated to protect the Partnership’s interests. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Partnership, or may be in a position to take action contrary to the Partnership’s investment objectives. The Partnership may in certain circumstances be liable for the actions of its third party partners or co-venturers.</p> <p><i>Absence of Operating History:</i> Fund III has no operating history and will be entirely dependent on the General Partner and the Manager. Furthermore, there can be no assurance that Fund III’s investments will achieve results similar to those attained by previous investments of the Founders or the Managing Directors. In addition, Fund III’s investments may differ from previous investments made by the Founders or the Managing Directors in a number of respects.</p> <p><i>General Economic and Market Conditions:</i> The success of Fund III’s activities will be affected by general economic such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws. These factors may affect the level and volatility of asset prices and the liquidity of Fund III’s assets. Volatility or illiquidity could impair Fund III’s profitability or result in losses.</p> <p><i>Projections:</i> Projected operating results of a portfolio company in which Fund III invests normally will be based primarily on financial projections prepared by such company’s management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.</p>
Item 8.C	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p>

	<p>In addition to the risks described under “General Risks,” the material risks associated with Fund III may include:</p> <p><i>For a more detailed disclosure of the potential risk factors associated with investing in Fund III, prospective limited partners should refer to the Offering Memoranda. They should carefully consider the risk factors listed in the Offering Memoranda before deciding to invest in Fund III.</i></p> <p>Concentration of Investments in Select Sectors</p> <p>Fund III intends to concentrate its investments in the specialty chemicals, materials, healthcare and related industries. Concentration in select industries may involve risks greater than those generally associated with broadly diversified acquisition funds, including significant fluctuations in returns based on market perception of the selected industries. Instability, fluctuation or an overall decline within the specialty chemicals, materials, healthcare and related industries will likely not be balanced by investments in other industries not so affected. In the event that the specialty chemicals, materials, healthcare and related industries as a whole decline, returns to Limited Partners would be adversely affected.</p>
--	---

ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client’s* or prospective *client’s* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events. Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person’s* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client’s* or prospective *client’s* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client’s* or prospective *client’s* evaluation.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses; is the named subject of a pending criminal <i>proceeding</i> that involves an
-----------------	--

	<p><i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</p> <ol style="list-style-type: none"> 3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or 4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i> <p>Not applicable. There are no pending legal, regulatory or industry proceedings against SKCP or any of its professionals.</p>
Item 9.B	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> 1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or 2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> (a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business; (b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business; (c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or (d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>. <p>Not applicable. There are no pending legal, regulatory or industry proceedings against SKCP or any of its professionals.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or 2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500. <p>Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a <i>management person</i> to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1)</p>

	<p>the proximity of the <i>person involved</i> in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).</p> <p>Not applicable. There are no pending legal, regulatory or industry proceedings against SKCP or any of its professionals.</p>
--	--

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to SKCP.</p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to SKCP.</p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <p>As it relates to its provision of investment management services, the Firm does not have any affiliates or operating partners.</p> <p>Potential Conflicts of Interest</p> <p><i>For a more detailed disclosure of the terms of investing as limited partners, prospective limited partners should refer to the LPA. For a discussion of the potential conflicts of interest associated with investing in Fund III, prospective limited partners should refer to the Offering Memoranda.</i></p> <p><u>Valuation</u></p> <p>Assets based on fair value methodology are valued based on management's judgment and estimation in accordance with the valuation policies and procedures of SKCP. Valuation methods, inputs and the pricing of events (such as an impairment, a sale, a recapitalization), that produce a realized or unrealized gain or loss that may be recognized are inherently subjective. There may be situations in which SKCP's valuation procedures could adversely affect an limited partner's interest. See discussion of Valuation under Item 13.A for more details.</p>

	<p><u>Policies and Procedures</u></p> <p>SKCP has adopted policies and procedures designed to address and mitigate potential conflicts of interest as it relates to SKCP’s regulatory requirements and contractual restrictions. These procedures will be revised as needed. See discussion of Code of Ethics under Item 11.A for more details.</p>
Item 10.D	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable</p>

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>As of February 1, 2012, SKCP adopted a Code of Ethics designed to comply with the requirements of Rule 204A-1 of the Investment Adviser’s Act of 1940 (“the Adviser’s Act”). The Code of Ethics applies to SKCP’s access persons and sets forth a standard of business conduct that takes into account SKCP’s status as a fiduciary and requires access persons to place the interests of Fund III and limited partners above their own interests. The Code of Ethics requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of SKCP’s Chief Compliance Officer. All access persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.</p> <p>Among other requirements, the Code of Ethics sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. SKCP’s access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an access person. Such access persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.</p> <p>The Code of Ethics also addresses activities which may lead to or give the appearance of conflicts of interest or prohibited or unethical business conduct. This includes provisions relating to the confidentiality of limited partner information, the protection of non-public information (for both limited partners and Fund III) and a prohibition on insider trading. It also includes limitations on outside affiliations, de minimis limits on reporting gifts and business</p>
------------------	---

	<p>entertainment items, the reporting of political contributions, and the cited limitations and supervision of personal securities transactions and holdings in reportable securities.</p> <p>Limited partners or prospective limited partners may obtain a copy of SKCP's Code of Ethics by contacting the Chief Compliance Officer, Mark Delevie at (561) 362-6370 or by email at mdelevie@skcapitalpartners.com.</p>
Item 11.B	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</p> <p>As noted in Item No. 4.A. above, the Managing Directors of SKCP also own nearly all of the capital and profits interests in the General Partner. Consistent with industry practice and the expectations of the limited partners in Fund III, the General Partner is required to commit capital to Fund III in an amount specified in the LPA. See also Item No. 6, above.</p> <p>Moreover, SKCP's related persons are subject to its policies and procedures regarding confidential or proprietary information, the information barriers and personal trading. In addition, SKCP has additional policies and procedures relating to certain personal securities transactions by its personnel. These policies may extend to the Firm's oversight of any outside solicitors or placement agents.</p>
Item 11.C	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>SKCP and its affiliates may give advice and recommend the purchase or sale of securities and other financial instruments, or buy or sell such securities, and instruments for their own account. Potential conflicts of interest may arise in connection with the personal trading activities of SKCP's employees.</p> <p>In order to prevent such conflicts, SKCP's Code of Ethics is designed to ensure that the personal securities transactions of SKCP and its affiliates, officers and employees, and members of their families, do not conflict with transactions effected on behalf of Fund III. Employees of SKCP must (i) place the interests of Fund III and their limited partners first, (ii) avoid taking inappropriate advantage of their positions within the Firm, and (iii) conduct their personal securities transactions in full compliance with the Code of Ethics.</p> <p>As required by Rule 204A-1 of the Advisers Act, SKCP requires its employees (<i>i.e.</i> Access Persons) to report their securities transactions on at least a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. SKCP also restricts the personal trading of its employees. In particular, when applicable, SKCP maintains a Restricted List containing the names of securities which employees are generally prohibited from trading.</p>

	SKCP also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. SKCP's personnel are required to certify on an annual basis their compliance with such policies and procedures as well as the Code of Ethics.
Item 11.D	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not “reportable securities” under SEC rule 204A-1(e)(10) and similar state rules.</p> <p>Please refer to the responses in Items 11.A, 11.B, and 11.C.</p>

ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <ol style="list-style-type: none"> 1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create. <p>Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <ol style="list-style-type: none"> a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services. b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution. c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits), disclose this fact. d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits.
--------------------	--

	<p>Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</p> <p>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</p> <p>Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.</p> <p>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</p> <p><u>Best Execution</u></p> <p>SKCP's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. However, if in the future SKCP purchases or sells publicly-traded securities, it will, in those circumstances, seek to achieve the "best price and execution." The SEC generally describes this process as a duty to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. While this duty generally begins with a requirement that the Firm obtain the best price available for the Securities in each transaction, the Firm may take into account a number of factors, including a broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, availability of securities to borrow or short sales, and the value of research it provides.</p> <p>When executing a transaction in any investment with or for Fund III, SKCP will take all reasonable steps to ensure that the counterparty is reliable and will monitor the quality of execution; that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature.</p> <p>To the extent applicable, the Firm's efforts in this area also include periodic reviews by investment professionals and the Chief Compliance Officer of the performance of broker-dealers. A copy of the written record of such reviews will be maintained by Chief Compliance Officer.</p> <p><u>Soft Dollars</u></p> <p><u>Not applicable.</u> SKCP, as a matter of policy, does not affect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for Fund III.</p>
Item 12.A.2	<u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending

	<p>broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals. <p>Not applicable.</p>
Item 12.A.3	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices. <p>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable.</p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>Not applicable. SKCP provides investment advisory services to a single fund, Fund III. As such, there is no need or plans to aggregate purchase or sale of securities for multiple client accounts.</p>

ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p>
------------------	--

	<p><u>Investment Reviews</u></p> <p>SKCP neither tailors its advisory services to the individual needs of Fund III or Fund III's limited partners, nor accepts limited partner-imposed investment restrictions. In addition, the limited partner's understanding of the investment program is conveyed via the forwarding to SKCP of a signed subscription agreement.</p> <p>However, portfolio reviews for Fund III are conducted at least quarterly by various investment professionals who are members of the investment committee and reported to the entire investment committee and the Chief Compliance Officer. As part of these reviews, the investment professionals monitor operations, overall performance, financial performance, and strategic direction of each portfolio company owned by Fund III.</p> <p><u>Advisory Board</u></p> <p>As outlined in the LPA, the General Partner has established an advisory board (the "Advisory Board") composed of Limited Partner representatives selected by the General Partner ("the representatives") all of whom are unaffiliated with the General Partner. The Advisory Board provides such advice and counsel as is provided in the LPA. The General Partner retains ultimate responsibility for all decisions relating to the operation and management of Fund III, including, but not limited to, investment decisions.</p> <p>Except as otherwise expressly provided in the LPA, the Advisory Board meets in person no less than annually and via conference call no less than semi-annually, and acts by a majority of its representatives unless otherwise specified in the LPA.</p> <p><u>Valuation</u></p> <p>As a fiduciary, SKCP has an obligation to ensure that Fund III assets are valued appropriately in order to provide the most accurate reporting possible. SKCP's valuation procedures are based on industry accounting and other industry standards. SKCP values its investments at their fair value, in accordance with the Financial Accounting Standard Committee's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements."</p> <p>The fair market value of limited partner account assets shall be determined in accordance with the LPA and Fund III's Valuation Policy.</p>
Item 13.B	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>Please refer to Item 13.A.</p>

Item 13.C	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>SKCP has only one client, which is Fund III; please refer to Item 4.C.</p> <p>As part of the advisory services it provides to Fund III, SKCP assists Fund III in providing certain reports to the Fund III limited partners in accordance with the Fund's obligations under the LPA. Generally, Fund III limited partners will receive quarterly unaudited reports of Fund III performance and annual audited financial statements.</p> <p>The LPA requires the General Partner to use its commercially reasonable efforts to send all limited partners within 90 days after the end of each fiscal year of Fund III (subject to reasonable delays in the event of late receipt of any necessary information) an audit report including a balance sheet and statements of income and changes in Partners' equity and changes in cash flows, prepared in accordance with U.S. generally accepted accounting principles, plus a schedule and summary description of the Investments owned by Fund III at year end and a statement for each Partner of its capital account and tax information necessary for completion of its tax returns.</p>
------------------	--

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.</p> <p>SKCP's fundraising efforts are primarily sourced and negotiated on an exclusive basis via industry based relationships.</p>

ITEM 15 – CUSTODY

Item 15: If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Although SKCP is deemed to have custody of the underlying assets of Fund III by virtue of its status as investment manager of Fund III, SKCP does not maintain physical custody of Fund III's assets. In compliance with Rule 206(4)-2 under the Advisers Act, SKCP reasonably believes that all limited partners in Fund III will be provided with audited financial statements for Fund III, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of Fund III's fiscal years (*i.e.*, generally by April 30).

Limited partners are urged to compare the account statements they receive from the custodian with the performance reports provided by SKCP, if any.

ITEM 16 – INVESTMENT DISCRETION

Item 16: If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

As explained in Item No. 8.A., above, SKCP advises the General Partner regarding all investment decisions to be made by Fund III, but the General Partner retains full discretionary authority to manage and make investments for Fund III. There are no accounts which are sub-advised by either affiliated or non-affiliated Portfolio Managers.

As also explained in Item No. 8.A., above, Fund III's investment strategy is set forth in detail in its Offering Memoranda. Individual limited partners in Fund III do not have the ability to impose limitations on the General Partner's discretionary authority. There are no separate classes and limited partners will be acquiring identical interests.

Prospective limited partners are provided with an Offering Memoranda and LPA prior to their investment and are encouraged to carefully review all offering materials and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective limited partners must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a privately placed investment pool.

ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Not applicable.</p>
Item 17.B	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p>

ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity. 2. Show parenthetically the market or fair value of securities included at cost. 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X. <p>Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.</p> <p>Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.</p> <p>Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.</p> <p>Not applicable.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance</p> <p>SKCP is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its one client, Fund III.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p>