

**Item 1      Cover Page**

**PeakEquity Partners Management Co., L.P.  
doing business as PeakEquity Partners  
Part 2A of Form ADV  
The Brochure**

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March 30, 2020

This brochure provides information about the qualifications and business practices of PeakEquity Partners Management Co., L.P., d/b/a PeakEquity Partners. If you have any questions about the contents of this brochure, please contact us at 484-253-0001. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PeakEquity Partners is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We refer to ourselves as a "registered investment adviser". Registration does not imply a certain level of skill or training.

## **Item 2        Material Changes**

This Item 2 of the Brochure discusses only specific material changes that have been made to the Brochure since our last annual update and provides clients with a summary of those changes.

The last annual update of our Brochure was on March 29, 2019.

Date of Brochure: March 30, 2020

Most recent Annual Updating Amendment: March 30, 2020

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure can be requested by contacting the Chief Compliance Officer at (484) 253-0001.

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## **Item 4      Advisory Business**

PeakEquity Partners is an investment manager to a private investment fund specifically focused on control buyouts and minority recapitalizations of middle-market enterprise software and solutions businesses (the “Fund”). PeakEquity Partners is currently attempting to raise funds for its second fund. Founded in 2014, PeakEquity Partners is based in the greater Philadelphia area. The principal owners are Mr. Greg Case, Mr. Paul Winn and Mr. Eric Andersen..

PeakEquity Partners provides discretionary investment advice solely to private investment funds that seek to generate significant capital appreciation primarily through private equity investments in portfolio companies that are generally in established industries. The investment management services that we provide to the Fund primarily consist of investigating, structuring and negotiating investments and dispositions, monitoring the performance of investments and performing certain administrative services. These services are provided pursuant to an investment management agreement with the Fund and as a result of a delegation of authority by the Fund’s general partner (an affiliate of ours). We provide tailored advice to the Fund that takes into account its investment objectives and the investment restrictions contained in its limited partnership agreement.

### ***Wrap Fee Programs***

We do not participate in wrap fee programs.

### ***Assets Under Management***

As of December 31, 2019, PeakEquity Partners manages approximately \$152 million on a discretionary basis. PeakEquity Partners does not manage any assets on a non-discretionary basis. PeakEquity Partners is registered with the SEC because it is under common control with Milestone Partners Management Co., L.P. (“Milestone Partners”), an investment adviser registered with the SEC. PeakEquity Partners and Milestone Partners are under common control because they share the same principal office, some employees and place of business. See Item 10 for additional information about PeakEquity Partner’s affiliations.

## **Item 5      Fees and Compensation**

### ***Management Fee***

PeakEquity Partners receives an annual management fee (the “Management Fee”) from the Fund with respect to each investor that can differ from fund to fund but is generally 2.25% of the first \$100 million of each investor’s commitment and thereafter the fee is generally 2.0% of the remaining commitment during the Fund’s investment period or for a specific period of years. Management Fees are payable quarterly in advance and are deducted from the Fund’s account. After the investment period or a specific period of years, the Fund pays a Management Fee based on each investor’s pro rata share of the Fund’s invested capital, which generally equals the declining balance of the portfolio’s acquisition cost of the portfolio investments held by the Fund, taking into account any realizations or permanent write offs of portfolio investments. PeakEquity Partners can waive all or a portion of its Management Fee.

### ***Other Fees***

We can also receive (and have in the past) monitoring, transaction, advisory, consulting, directors and other fees in connection with the activities of the Fund (“Other Fees”). In addition, we are reimbursed by the Fund’s portfolio companies for expenses we incur in connection with our

performance of the services that give rise to Other Fees. The monitoring fees that we receive with respect to a portfolio investment are determined with reference to the adjusted EBITDA and/or revenues upon which the purchase price for such portfolio investment is based. Other fees that we receive with respect to a portfolio investment may be determined at the time of acquisition. Both monitoring fees, advisory and transaction fees are agreed to with the applicable portfolio companies at the closing of the Fund's investment in such portfolio companies.

PeakEquity Partners does employ and has employed operating partners. These operating partners are compensated directly either from the management company or the portfolio company but not the Funds.

In general, the aggregate management fee that the Fund pays us is reduced by a portion of any Other Fees received by us in connection with the activities of the Fund.

If we cease to serve as the investment manager to the Fund, the management fee payable by the Fund for such period will be pro-rated based on the number of days during such period that we served as investment manager, and we will refund any excess.

Additional fees and expenses for which the Fund is responsible are described in the limited partnership agreement of the Fund. Generally, the Fund pays all costs and expenses relating to its operations, including but not limited to: legal, auditing, consulting and accounting fees and expenses; expenses of meetings of its limited partner advisory committee and of limited partners; indemnification and insurance expenses; expenses associated with the acquisition, holding and disposition of its proposed or actual investments (including related due diligence other than travel-related due diligence expenses of our personnel); extraordinary expenses such as litigation; interest on and fees and expenses arising out of any permitted borrowing; expenses relating to unconsummated transactions; expenses of liquidating the Fund; and any taxes, fees or other governmental charges levied against the Fund and any expenses incurred in connection with any tax, audit, investigation, settlement or review of the Fund. Expenses associated with the acquisition, holding and disposition of an investment include the expenses of brokers or dealers to the extent that any such person is engaged in connection with a transaction. See Item 12 - Brokerage Practices. Such expenses include commissions, custodian fees, rating agency fees and other transaction expenses.

Neither we nor any of our "supervised persons" accepts compensation for the sale of securities or other investment products.

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

The general partner of the Fund (our affiliate) is entitled to a "carried interest" on the Fund's profits in accordance with the provisions of the limited partnership agreement. The "carried interest" is equal to a percentage of the investment proceeds distributable by the Fund in excess of the capital invested by the Fund's limited partners and their allocable share of fees and expenses, and is subject to a preferred return. The general partner is subject to a "clawback" of "carried interest" previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable or anticipated to be distributed to the general partner by the Fund as "carried interest", applied on an aggregate basis covering all transactions of the Fund. In no event

will the general partner be required to restore more than the cumulative distributions received as “carried interest” determined on an after-tax basis. The “carried interest” received by the general partner was negotiated at the time the Fund was formed.

## **Item 7        Types of Clients**

We provide discretionary investment advice solely to the private investment fund. Investors in the Fund primarily include retirement plans, foundations, endowments, funds of funds, family offices, and high-net-worth individuals.

PeakEquity Partners generally requires a minimum account of \$1,000,000 to invest in the Fund. The general partner of the Fund, in its sole discretion, can make and has made exceptions to the required minimum.

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

We generally seek investment opportunities for the Fund where we can play a role in enhancing the target company’s value through two complementary strategies. First, we seek growth for portfolio companies through evaluating and executing strategic acquisitions, as well as supporting the implementation of value-added strategies, such as internal capital investment, geographic expansion, product line extension and management team enhancement. Second, we seek to identify a compelling value proposition within an established industry and then assemble a knowledgeable management team led by a CEO to build the business around the investment conviction.

We generally source investment opportunities consistent with these strategies through our differentiated origination networks, including the relationships of our investment professionals and our strategic alliances with our affiliate partners (*i.e.*, third parties who assist us in sourcing portfolio investments). We believe that such networks allow us to source investments on a proprietary basis.

We generally seek to identify investments that we believe are at appropriate valuations, are in quality businesses in established industries, have a knowable and sustainable value proposition, that are leaders in their markets and for which there exists a vision for achieving profit, improvement and growth. Furthermore, we seek investment opportunities for which exit alternatives should exist for the realization of value created. We also typically seek to ensure that adequate protections are in place to protect the Fund’s investment. We primarily focus on investments in the U.S. and in other regions through our strategic alliances.

In screening potential investment opportunities, we seek to implement a due diligence process that is aimed at assessing and quantifying the opportunities for, and challenges to, value creation faced by such potential portfolio companies. Such process typically involves research of a prospective portfolio company’s markets served, competitive position, capabilities, customer relationships, environment, potential for future growth and ultimate realization of value, but vary depending on the facts and circumstances relating to the particular investment opportunity, including the type of information available to us. Our efforts are typically augmented by outside industry advisors, accountants, lawyers and other relevant experts that we determine are necessary.

In executing investments, we seek to invest at attractive valuation levels, maintain price discipline and differentiate between market overreactions or cyclical valuation peaks and long-term sustainable valuations. In particular, we seek to implement capital structures that support value-creation strategies and future growth, with a preference for entirely private capital structures and avoiding excessive leverage. We also work closely with management of our portfolio companies to assess whether a strategic acquisition, internal capital investment, geographic expansion or product line extension provide a clear strategy for creating long-term value.

Post-investment, we monitor portfolio companies closely, regularly speaking with management and regularly receiving performance reports. Furthermore, our personnel often can and do serve on the board of directors of our Fund's portfolio companies. This regular contact is intended to permit us to assess opportunities for portfolio company growth, identify the optimal realization point and find suitable exits.

### **Risk Factors**

Investing involves the risk of loss that an investor in a fund should be prepared to bear. The discussion below of risks associated with an investment in the Fund does not purport to be an exhaustive list of all such risks. Please see the confidential offering memoranda of the Fund for a more detailed discussion of risks.

*Risk of Loss of Capital.* Investing in securities involves the risk of loss of capital. Investors that cannot bear the loss of their entire investment in the Fund should not make such an investment. While we believe that our investment processes, strategy and research techniques mitigate the investment risk through a careful selection of investment opportunities, no guarantee or representation is made that we will achieve the Fund's investment objectives or that we will be successful.

*Market Volatility.* Volatile market conditions can occur and can have a dramatic effect on the value of private investments. Terrorist attacks; other acts of violence or war; health-related outbreaks, epidemics and/or pandemics; natural hazards; and/or force majeure, among other events and conditions can affect the operations and profitability of a Fund's portfolio companies. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy(ies). Any of these occurrences, and any combination, could have a significant impact on the operating results and revenues of a Fund's portfolio companies and, in turn, on the return of a Fund's investments.

*Leverage.* While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Fund's investments can be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates can have a more pronounced effect on the profitability or survival of such companies. If for any of these reasons a portfolio company in which we invest on behalf of the Fund is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the investment in such portfolio company could be significantly reduced or even eliminated.

*Illiquid and Long-Term Investments; Lack of Transferability.* Although the Fund's investments regularly generate current income, the return of capital and the realization of gains, if any, from such investments is expected to occur upon their disposition. Such investments are typically held for a number of years before they are sold. Furthermore, it is unlikely that there will be a public market for such investments and their securities generally more likely than not will not be sold publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the sale of such investments could be prohibited or limited by contract for a period of time, and as a result, we would not be permitted to sell such investments at a time we would otherwise desire to do so.

*Highly Competitive Market for Investment Opportunities.* The activity of identifying, completing and realizing on attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that we will be able to identify and complete investments that satisfy the Fund's investment objective, or realize the value of its portfolio investments, or that we will be able to fully invest its commitments. Nevertheless, investors in the Fund will be required to pay our management fees based on aggregate commitments during the Fund's investment period.

*Portfolio Company Management Risks.* We expect the portfolio companies in which the Fund invests to rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While we monitor each portfolio company's management team, each such team will ultimately have day-to-day responsibility for the business of such portfolio company.

*Concentration of Investments.* The Fund will invest in a limited number of portfolio companies and, as a result, its returns are affected by the performance of a single investment. Furthermore, because we have broad discretion to invest a considerable portion of the Fund's assets in a single investment, and all of the Fund's assets in a particular industry, adverse movements in the value of a single investment or the health of a particular industry could have a considerably greater negative impact on the Fund than would be the case if we were not permitted to concentrate investments to such an extent.

*Control Position.* The exercise of control over portfolio companies exposes the Fund to additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability that generally characterizes business operations may be ignored. While we intend to manage the Fund so as to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

*Board Participation.* The Fund is represented on the boards of directors of certain of its portfolio investments. Although such positions likely are important to our investment strategy and enhance our ability to manage the investment, they could also impair our ability to sell the investment when, and upon the terms, we would otherwise want. It could also subject us and the Fund to claims we would not otherwise be subject to, including claims of breach of duty of loyalty, securities claims and other director-related claims.



*Non-U.S. Investments.* The Fund can invest globally. Foreign securities involve risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, (ii) differences between the U.S. and foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Furthermore, the legal systems in these countries may offer no effective means for the Fund to seek to enforce their rights or otherwise seek legal redress.

## **Item 9        Disciplinary Information**

None.

## **Item 10       Other Financial Industry Activities and Affiliations**

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

We are also not registered, nor do we have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

PeakEquity Partners is under common control with Milestone Partners. PeakEquity Partners and Milestone Partners share the same principal office, some employees and place of business. Milestone Partners is also an investment adviser to private funds. Affiliates of PeakEquity Partners and Milestone Partners serve as general partners of the PeakEquity Partners and Milestone Partners funds.

The Fund is subject to various conflicts of interest arising from its relationship with PeakEquity Partners and its affiliates. The Fund can on occasion invest, and has invested in a portfolio company of a Milestone Partners fund or co-invest with a Milestone Partners fund. Such transactions are generally subject to requirements agreed by the investors and set out in the applicable limited partnership agreements, which in certain circumstances include a requirement to obtain the consent of the limited partner advisory committee (“LPAC”) of the applicable funds. Additional information regarding how PeakEquity Partners addresses conflicts of interest is provided in Item 11 below.

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

*Code of Ethics.* Our code of ethics is documented in our Policies and Procedures Manual (“Manual”), a copy of which (and any amendments) is provided to each employee. Each employee must certify that he or she has read, understands and agrees to comply with our Manual. Furthermore, each employee must certify annually that he or she has complied with the Manual. We also hold annual compliance training sessions and attendance at such sessions is mandatory for all employees.

Our Manual requires all of our employees to conduct themselves with integrity and dignity and act in a professional and ethical manner in all dealings on our behalf; act with competence and strive to maintain and improve their competence; use proper care and exercise independent professional judgment in the execution of their duties; avoid actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of PeakEquity Partners and our client; and comply with all applicable federal securities laws.

Our Manual also requires all of our employees (“Access Persons”) to disclose each account in which they have a beneficial interest and the capability to hold or trade individual securities. These accounts are linked to our compliance software which allows us to monitor their personal trading from pre-clearance authorization of trade requests through post-trade reconciliation and reporting. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually.

Our Manual also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of our Code of Ethics will be provided to any client or prospective client upon request.

### ***Conflicts of Interests.***

*Participation or Interest in Client Transactions.* As described in Items 5 and 6 above, we are entitled to receive management fees and a carried interest from the Fund. The general partner of the Fund also makes capital commitments to the Fund. Furthermore, we and our members and employees could receive fees from the Fund’s portfolio companies for performing consulting and other services \or, for serving as directors (or similar positions) of, such companies. Each of the foregoing represents a financial interest in the securities that we recommend to our client accounts.

As described in Item 5 above, the management fees that we receive from the Fund after the termination of the investment period is based on its “invested capital”. To the extent that an investment is written down to below cost or written off, for purposes of calculating our management fee, the invested capital in such investment would be reduced by the amount that the investment has been written off and would result in us receiving a reduced management fee. The foregoing, which could incentivize us to refrain from writing down investments, is mitigated by the fact that, annually, our valuations are reviewed by the Fund’s independent public auditor.

Our entitlement to performance fees from the Fund is said to incentivize us to cause the Fund to make more speculative investments than would be the case in the absence of such performance fee arrangement. However, the significant capital commitments made by PeakEquity Partners and other investment professionals through the general partner (which capital commitments are invested pro rata with the commitments of the Fund’s limited partners), as well as the general partner’s “clawback obligation” (as described in Item 6), mitigates the effects of such conflict of interest.

Our ability to receive fees (and related expense reimbursements) from the Fund’s portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies represents a potential conflict of interest since we generally have

substantial control or influence over such companies. This potential conflict of interest is mitigated by the fact that the amount of such fees are typically negotiated with the applicable portfolio company's management team and/or any roll-over equity holders, as well as the fact that all such fees are disclosed to the Fund's investors and a portion of such fees generally offset management fees otherwise payable by our funds (as described in Item 5 above). When PeakEquity personnel serve as portfolio company board members, they are required to make decisions that consider the best interests of such portfolio company and its shareholders. Conflicts of interest could present themselves between an individual's role at our Firm and his or her role as a board director of the portfolio company. However, we believe the interests of the portfolio companies and the shareholders are generally aligned with the best interests of the Fund.

#### *Allocation of Investment Opportunities.*

PeakEquity Partners and Milestone Partners are both pursuing new investment opportunities for funds they each manage, but the investment mandates of the PeakEquity Partners and Milestone Partners funds differ. PeakEquity Partners seeks to invest in control buyouts and minority recapitalizations of intellectual property-driven, lower middle-market enterprise software and solutions ("Enterprise Software and Solutions") businesses. Milestone Partners seeks to invest in a broader range of lower middle-market business, which also includes Enterprise Software and Solutions businesses. The funds' limited partnership agreements set forth terms with respect to the allocation of investment opportunities and generally provide that, from the date of closing of a fund until the expiration of its investment period, all prospective investment opportunities (other than follow-on investments related to a predecessor fund) that we identify, are within the scope of the fund's investment objectives and are not in excess of a threshold amount specified in the fund's limited partnership agreement, will be made available to that fund before being offered to any other person. Notwithstanding the foregoing, in the event an Enterprise Software and Solutions investment opportunity arises that is appropriate for both PeakEquity Partners and Milestone Partners funds, we will allocate such investment opportunity among the PeakEquity Partners and Milestone Partners funds on a basis that we believe is fair and equitable and with the approval of the applicable funds' LPAC. PeakEquity Partners will lead pursuit of Enterprise Software and Solutions opportunities, and it is anticipated that Milestone Partners in certain circumstances will occasionally co-invest alongside of PeakEquity Partners. Notwithstanding the foregoing, subject to a negotiated cap, we do reserve the right to allocate investment opportunities to certain individuals (including certain employees) who provide services to, or have a relationship with, our funds or, who in our judgment, can add value to our funds' activities by virtue of their association with our funds.

*Principal Transactions.* We do not anticipate entering into principal transactions where we or any of our affiliates purchases or sells any securities for our own accounts from or to the account of any fund. In the event that we or any of our affiliates do engage in a principal transaction, we will seek the approval of the applicable fund's LPAC in accordance with the terms of such fund's limited partnership agreement and such transaction will be undertaken only in compliance with Section 206(3) under the Investment Advisers Act of 1940, as amended.

*Cross Transactions.* Neither we nor any of our affiliates is registered as a broker-dealer.. In the event that we cause funds to enter into any cross transaction, we will seek the approval of the applicable funds' limited partner advisory committees in accordance with the terms of such funds' limited partnership agreements.

## **Item 12      Brokerage Practices**

We do not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Fund because the securities that we typically purchase or sell on behalf of the Fund are acquired and/or disposed of in privately negotiated purchase and sale transactions. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any. We will negotiate the commission rates and other transaction costs relating to broker services.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with client transactions.

If we dispose of any investment in securities that is owned by more than one fund, we would sell the securities in an aggregated order, in which case, the aggregated order will be allocated among the funds on a pro rata basis, unless in our good faith judgment a different allocation method is more appropriate under the circumstances. Such a pro rata allocation will be adjusted for and take into account to the extent applicable, specific guidelines, objectives and restrictions of each fund's account, the total amount of funds under management (including drawn and undrawn commitments) and the availability of or need for cash. A pro rata allocation should result in each client receiving the average price.

## **Item 13      Review of Accounts**

PeakEquity Partners' Senior Professionals generally meet weekly to evaluate both current and prospective investments. PeakEquity Partners monitors and reviews the performance of each portfolio company investment and typically distributes reports to PeakEquity Partners' Senior Professionals. PeakEquity Partners' investment professionals conduct in-depth quarterly reviews of the performance and outlook for each portfolio company. PeakEquity Partners' Senior Professionals monitor all cash inflows and outflows from PeakEquity Partners' Fund.

PeakEquity Partners will hold annual meetings at which PeakEquity Partners' Senior Professionals provide investors in the Fund with comprehensive reviews of the performance of the Fund and its portfolio companies. At least quarterly, PeakEquity Partners' investment professionals prepare a review of the Fund's investments for investors. In addition, the financial statements of the Fund are distributed quarterly and audited annually.

PeakEquity Partners will review a client account on other than a periodic basis upon the occurrence of material events that, based on the reasonable business judgment of the responsible Senior Professional, require consideration by the Investment Committee or the senior deal team before the next scheduled meeting of the Investment Committee.

PeakEquity Partners provides such reports (and at such frequency) as will be required by the limited partnership agreement for the Fund. Each quarter PeakEquity Partners issues an unaudited quarterly report which typically includes the following: a summary of portfolio holdings; contributions; distributions; unaudited financial statements, including a balance sheet, statement of changes in Investors' capital, and statement of operations; and a description of some or all of the fund's portfolio companies, which generally includes updates on the financial performance of the companies and relevant news. Investors receive audited financial statements within 120 days of the end of each fiscal year. PeakEquity Partners or its affiliates can by agreement provide additional information or reports to certain investors.

The Fund has a LPAC that shall serve as the advisory committee for the Fund and shall make decisions and recommendations with respect to the Fund, to the extent provided by the limited partnership agreement.

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

PeakEquity Partners or its affiliates will use a placement agent in connection with fund offerings.

Multiple broker-dealers registered with the SEC under the Securities Exchange Act of 1934, are retained by PeakEquity Partners as placement agents to certain prospective investors.

The placement agents generally receive a placement fee with respect to the investors they have solicited that invest in the Fund, which consists of a cash fee. Such placement fees may be paid by a fund but will reduce management fees payable to PeakEquity Partners.

Various potential and actual conflicts of interest may exist or arise from the placement agents business activities and relationships with their clients, investors whom they solicit for funds and portfolio companies of the funds or other funds not affiliated with PeakEquity Partners. The placement agents have provided, and may continue to provide, a number of services to PeakEquity Partners, the Fund, and certain portfolio companies, which have a number of relationships with PeakEquity Partners, the Fund, and may have various relationships with potential portfolio companies. Please refer to Item 11 for a discussion of how we address conflicts of interest that arise in the context of business relationships.

#### **Item 15      Custody**

Pursuant to applicable regulation, PeakEquity Partners is considered to have custody of the Fund's cash and securities. PeakEquity Partners maintains the Fund's cash and certificated securities with independent qualified custodians. PeakEquity Partners arranges for the Fund's financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules. PeakEquity Partners makes those audited financial statements available to all Investors in the Fund within 120 days of the end of the Fund's fiscal year. Upon liquidation of the Fund, PeakEquity Partners will distribute its audited financial statements prepared in accordance with GAAP to all investors in the Fund promptly after the completion of such audit. Because PeakEquity Partners' client is the Fund and the Fund is subject to the foregoing audits, a

qualified custodian is not required to send account statements to clients or investors. Investors should review and compare all statements provided to them.

### **Item 16 Investment Discretion**

We have entered into an investment management agreement with the Fund. The agreement, together with the management authority granted to the Fund's general partner pursuant to the Fund's limited partnership agreement, provides us with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limitations on our investment discretion are set forth in the investment management agreement with, and the limited partnership agreement of, the Fund.

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

Due to the nature of the PeakEquity Partners' investment programs and the types of investments recommended or made on behalf of its clients, we would rarely, if ever, be requested to vote the proxies of traditional operating companies. Nonetheless, we have adopted proxy voting policies and procedures designed to ensure that proxies are properly voted and that any conflicts of interest are addressed appropriately. The general policy is to recommend voting proxy proposals and to vote proxy proposals, as well as any amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of client accounts, as determined by PeakEquity Partners in its discretion, taking into account various factors, including, without limitation, the impact on the value of the securities. Clients and investors in the Fund can request a copy of the proxy voting policies and procedures and the proxy voting record by contacting the Chief Compliance Officer.

### **Item 18 Financial Information**

PeakEquity Partners has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.