

Item 1. Cover Page

DRUM CAPITAL MANAGEMENT, LLC

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Drum Capital Management, LLC (“Drum”). If you have any questions about the contents of this brochure, please contact Joe Peters at (203) 391-7552 or peters@drumcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

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

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a prospectus or private placement memorandum and related subscription materials.

Item 2. Material Changes

There have been no material changes since the date of the last annual updating amendment on March 25, 2019.

Item 3. Table of Contents

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Item 4. Advisory Business

Drum, a Connecticut limited liability company, provides private equity turnaround, special situations, deep value and distressed investment advisory services to clients on a discretionary basis through investments in private equity funds, hedge funds, co-investments, separate accounts and direct private investments. Investments are made through both fund of fund and direct investment fund vehicles managed by Drum, and offered to institutional investors and high net worth individuals. The funds of funds and direct investment funds managed by the registrant are not registered under the Investment Company Act of 1940, as amended, in reliance on Section 3(c)(7) thereof. Investments are made primarily in private equity pooled vehicles (e.g., limited partnerships), but occasionally, direct investments in privately-owned companies are made by the funds ("Direct Investments"). Private equity investments include but are not limited to the following: recapitalization; subordinated obligation; equity expansion; recovery; turnaround, special situations, deep value and other private equity-related strategies. Drum's principal owner is Scott E. Vollmer, Founder and Chief Executive Officer.

Drum serves as a manager to four privately-held funds of funds and three direct investment funds sponsored by Drum that make private equity investments in distressed, deep value and turnaround special situations (collectively, the "Funds"). Each of PCG Special Situation Investment, LLC, Drum Opportunities I GP LP ("DO I GP"), Drum, Drum Special Situation Investment LLC, Drum Special Situation Investment III LLC and Drum Special Situation Investment IV LP (collectively referred to herein as the "General Partner") act as a general partner to one or more Funds. The Funds currently comprise: PCG Special Situation Partners LP ("SSP I"), Special Situation Partners II LP ("SSP II"), Drum Opportunities I LP ("DO I"), Drum Opportunities II LLC ("DO II"), Drum Special Situation Partners III LP ("SSP III"), Drum Special Situation Partners IV LP ("SSP IV") and Drum Special Situation IV-C LP ("SSP IVC"). PCG Special Situation Investment LLC acts as general partner to SSP I, Drum Opportunities I GP LP acts as general partner to DO I, Drum acts as investment manager to DO II, Drum Special Situation Investment LLC acts as general partner to SSP II, Drum Special Situation Investment III LLC acts as general partner to SSP III and Drum Special Situation Investment IV LP acts as general partner to SSPIV and SSPIVC. Either Drum or Scott E. Vollmer has control over each entity comprising the General Partner as the managing member, managing partner or controlling manager thereof.

In 2018, Drum began managing a new private fund, DO I. DO I was established to facilitate the purchase of the remaining investments of one of Drum's existing private funds, SSP I, by an established, unaffiliated secondary private equity firm. In December 2018, DO I purchased two investments from SSP I, which was the result of a competitive bid process to monetize SSP I's last two remaining operating companies. Drum continues to manage the assets that were purchased by DO I.

The Funds share a similar objective: to seek to provide investors with superior, risk-adjusted, long-term capital appreciation through the development of a diversified portfolio of turnaround, special situation, deep value and distressed debt investments, generally with a focus in the lower to middle market.

Drum has full discretion in investment decisions made on behalf of the Funds. Investment advice is provided directly to the Funds according to each Fund's particular investment objectives and not individually to the Fund's investors.

From time to time and as permitted by the relevant Funds' governing documents, Drum expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Drum's personnel and/or certain other persons associated with Drum. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment.

As of December 31, 2019, Drum managed approximately \$491,000,000¹ of client assets on a discretionary basis and no client assets on a non-discretionary basis.

¹ For Funds that are funds of funds (SSP II, SSP III, SSPIV and SSPIVC), Drum relies on the quarterly financial statements and capital statements from its underlying fund managers for most of its underlying valuations, which are not generally received until 90 days after each quarter end. Accordingly, the most recent financial statements and capital statements Drum has received for most of the underlying funds in which such funds of funds invest are as of September 30, 2019. Drum has calculated regulatory assets under management by adding: (i) the assets of Funds that are funds of funds as of September 30, 2019 and (ii) the assets of the other Funds (SSP I, DO I and DO II) as of December 31, 2019. The regulatory assets under management associated with DO II, and accordingly, Drum in aggregate, include investments valued at approximately \$5,178,681 and \$4,237,103 by SSP IV and SSP IVC into DO II, and therefore represent duplicative amounts.

Item 5. Fees and Compensation

This brochure is delivered only to qualified purchasers, therefore the fee schedule, which includes a management fee based on a percentage of assets under management for each of the Funds, is not included. The fee schedule may be found in the confidential offering document for each Fund.

Drum deducts management fees from the Fund assets. Such fees must be paid quarterly in advance and are pro-rated in the event of any partial quarter. If the advisory contract is terminated before the end of the billing period, Drum will calculate the amount of the refund and reimburse the Fund.

For DO I, no management fee is paid to Drum. Drum does charge the underlying portfolio companies a monitoring fee paid quarterly in advance based upon the operating performance of the portfolio companies for the previous twelve months prior to the quarter for which the fee is being paid, as outlined in DO I's operating agreement.

Similarly, for DO II, no management fee is paid to Drum. Drum does charge the underlying portfolio company a monitoring fee paid quarterly in advance based upon the operating performance of the portfolio company for the calendar quarter ended at least 30 days prior to the quarterly payment date, as outlined in DO II's operating agreement. Any monitoring fees paid to Drum attributable to SSP IV's and SSP IVC's share of DO II's investment in such portfolio company are fully offset against SSP IV and SSP IVC's management fee, respectively. To the extent that any offset credit would reduce the DO II management fee for SSP IV or SSP IVC below zero in an applicable period, the credit will be carried for future application against future management fees, and if a credit remains after liquidation such credit will be allocated among the limited partners and general partner of the applicable Fund in the manner specified by the relevant partnership agreement.

The Funds also generally bear other fees and expenses. These fees and expenses typically include, but are not limited to, all fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, managing, operating, holding, maintaining, valuing, winding up, liquidating, dissolving and disposing of the Funds' investments (including, if applicable, interest and fees on money borrowed by the Funds or Drum or the General Partner on behalf of the Funds), organizational and start-up expenses, including legal, accounting printing, travel and other organizational expenses, operating expenses, ordinary and extraordinary, administration costs and fees, custodial costs and fees, costs of due diligence, costs of auditing the Funds, legal and tax preparation fees relating to the operation of the Fund, legal fees relating to review and negotiation of terms governing Manager Funds and Direct Investments and costs of managing or liquidating in-kind securities distributions. The Manager Funds (as defined below) and applicable Direct Investments in which a Fund invests impose management fees, performance fees or special allocations of income and incur administrative and other expenses. Investors in the Fund will bear a pro rata share of such fees and expenses, in addition to the management fee, the Carried Interest (defined below in Item 6) and expenses incurred by the Fund, which the Fund investors bear in their entirety.

In addition, as set forth in the respective Funds' offering memoranda, certain Funds may bear fees and expenses, or a portion thereof, of expenses including, but not limited to, consulting (including compliance consulting), financing, accounting, administration (whether done by a third party or the General Partner or an affiliate thereof), depositary, transfer, registration and other similar fees and expenses; expenses associated with the Funds' financial statements, tax returns, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations or related software or similar systems; out-of-pocket expenses incurred in connection with transactions not consummated; expenses of the advisory board annual meetings of the investors and any other meeting with any investor(s); insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund(s).

As described above, in certain circumstances, Drum is expected to permit certain investors to co-invest in investments alongside one or more of the Funds, subject to the relevant governing documents and/or side letters, as well as the considerations described in Item 8 below. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial, in the judgment of Drum, ultimately is not consummated, all "broken deal expenses" relating to such proposed transaction will generally be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction, except that in certain (but not all) cases in which a co-investor has already invested in a co-invest vehicle or such a co-invest vehicle has been formed in connection with a transaction that ultimately is not consummated, Drum expects that such co-investor or co-invest vehicle will bear its *pro rata* share of such expenses.

Drum does not often use the services of broker-dealers to execute investment transactions for the Funds, but in the event brokerage fees are incurred, the Funds will bear such fees. (*See Item 12 – Brokerage Practices*)

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

Cash from distributions on, or in liquidation of, investments (net of expenses and reserves established by the General Partner in its discretion to meet liabilities or contingencies foreseen by the General Partner) is distributed by the Funds in accordance with a schedule set forth in the private offering documents. Such distributions, if applicable, may include distributions to the General Partner known as “Carried Interest,” which is considered performance-based compensation.

Certain Drum Funds are structured to permit the applicable General Partner to exempt certain investors from Carried Interest charges in such Fund. For example, unlike other investors in DO II, SSP IV’s and SSP IVC’s interest in DO II is not subject to Carried Interest.

The receipt of performance based compensation creates a conflict of interest between Drum’s interest in earning a profit for itself in the short term with the long term interests of the Funds and their investors. Specifically, Drum may have an incentive to make investments that are riskier or more speculative than would be the case if Drum were compensated solely based on a flat percentage of capital.

Performance-based compensation arrangements also create an incentive for Drum to favor accounts with higher compensation rates over other accounts when allocating investments. Drum has adopted procedures designed and implemented to ensure that the Funds are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among them. *(See Item 12 – Brokerage Practices)*

Item 7. Types of Clients

Drum generally provides investment advice to the Funds.

Investment advice is provided directly to the Funds and not individually to the Fund investors. The Funds' investors consist primarily of institutional investors and some high net worth individuals. Generally, the minimum investment in a Fund is \$5,000,000, although the General Partner reserves the right to accept subscriptions for lesser amounts, in its sole discretion.

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

Methods of Analysis and Investment Strategies

Drum provides private equity turnaround, special situation, deep value and distressed investment advisory services to the Funds on a discretionary basis. Investments are made primarily in private equity pooled vehicles (e.g., limited partnerships), but occasionally Direct Investments are made in privately-held companies or through co-invest vehicles (see Item 4). Drum and the General Partner generally have broad discretion with respect to the types of investments they make; however, the Funds invest primarily in partnerships or other commingled investment funds, which are private equity funds and accounts (such partnerships, funds and accounts being herein referred to as “Manager Funds”) that have been formed to invest largely in distressed debt or securities of businesses experiencing financial or operating difficulties and to make direct investments in such businesses. Private equity investments of the underlying managers include but are not limited to the following multi-strategy approaches: arbitrage; bridge loans and short term financing; event-driven investing due to a fundamental shift in the debt markets; international distressed; non-performing loans; recapitalizations; subordinated obligation; equity expansion; recovery; turnaround; special situation; deep value and other private equity-related strategies.

The key components of Drum's due diligence process for selecting investments for the Funds are as follows:

Initial Review - Each new offering is logged into Drum's deal-tracking log and a standardized summary is prepared for circulation to the entire Drum investment team to consider during its Investment Committee ("IC") meetings for both Manager Fund and Direct Investment opportunities.

Further Review - Once the investment team determines that an opportunity is attractive, more intensive discovery is pursued. Further review activities for Manager Fund opportunities typically include an invitation to Drum's offices for a presentation, conference calls with the underlying fund manager to address specific issues or questions identified, and the initial review of the track record. For Direct Investments, Drum typically participates in a due diligence process that includes reviews of the investment subject's industry, common trends, industry analysis and third party reports and conversations with industry insiders and executives to better understand the macro-economic trends while also conducting thorough company level due diligence across all significant areas of the business, including management, sales, marketing, HR, finance, operations, environmental, capital expenditures, and real estate. Issues identified during the initial processes are the focal points for the Investment Manager's full on-site due diligence process.

Due Diligence - Should the opportunity move from attractive to compelling, the investment team presents a due diligence recommendation. Specific guidance regarding areas of inquiry and necessary resources are provided to the the investment team by one of the principals, and a designated investment team responsible for the final due diligence is designated. Specific due diligence items and initiatives for Manager Fund opportunities

typically include a track record analysis, on-site due diligence, reference checks and other third-party verifications, and investment approval. Additional sources of information for Drum include internal and externally generated databases, industry contacts and other investors. For Direct Investments, further due diligence typically includes an in depth on-site visit by multiple investment professionals, including principals of Drum. In addition to an extremely detailed discussion regarding company operating and investment-related issues, the investment team pushes sellers and/or executive management regarding corporate issues such as forecasts, growth assumptions, competition, new product development, strategic growth, senior management, and related issues identified through the due diligence process. Third party service providers are often utilized to gain further insight into the target company and related industry, conduct quality of earnings analysis, perform environmental testing. Investment Approval - The investment team will combine all diligence materials into internal summaries and presentation materials to be presented to the IC alongside an investment recommendation and proposed allocation, if applicable. At the investment committee meeting, the opportunity is discussed in detail, weighing subjective and objective elements, while considering portfolio-specific dynamics and issues. Follow-on due diligence is then requested as appropriate, and ultimately the recommendation is put to a vote. Investments require a majority vote by the IC before consummation or execution.

Material Risks of Drum's Strategies

Investing in securities involves risk of loss that clients should be prepared to bear. The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of the Funds' investments. This summary does not attempt to describe all of the risks associated with an investment in a Fund. Although no summary can fully describe all of the risks associated with such an investment, the confidential private placement memorandum or confidential offering memorandum for each Fund contains a more complete description of the risks associated with an investment in a Fund.

General. Investments made by the Funds in alternative investments, including distressed investments, involve significant risks not otherwise present in public securities investments. Drum expects that the underlying companies in which Manager Funds invest and companies in which the Funds hold Direct Investments will be highly speculative and may include highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In general, changes in economic conditions, including, for example, changes in interest rates, trends, tax laws and innumerable other factors, could affect substantially and adversely the prospects of a Fund and its investments. In addition, disruptions in the financial markets or a prolonged economic downturn may adversely affect the portfolio companies of the Manager Funds and the Funds' Direct Investments. There can be no assurance that the Funds will be successful in their investments and consequently no assurance that the Funds will be able to return to the investors all the capital they contribute to the Funds or otherwise achieve their objectives.

The nature of distressed investments also causes material risk of loss; distressed securities frequently do not produce income while they are outstanding. The repayment of defaulted obligations is subject to significant uncertainties. The holder of distressed securities often may be

required to bear certain extraordinary expenses if it is forced to seek recovery upon a default of a portfolio holding or if it participated in the restructuring of the obligation. Such expenses would be borne by the underlying Manager Funds, or if the investment was a Direct Investment, by the Funds.

Distressed investments also entail a higher level of credit risk (loss of income and/or principal) than investments in higher-rated securities. Securities rated in the lower rating categories are considered to be predominantly speculative with respect to capacity to pay interest and repay principal. In addition, the credit risk may change over the life of an instrument.

The Funds' Manager Funds and Direct Investments generally will be illiquid and not transferable. Although Drum expects that the Funds' investments will be disposed of prior to their dissolution, Drum has only a limited ability to extend the term of each Fund and a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the dissolutions.

Availability and Difficulty of Identifying Attractive Investments. The success of a Fund as a whole will depend in part on the availability of appropriate investment opportunities and the ability of Drum to identify, select, develop and complete appropriate investments. Although Drum believes that significant opportunities may exist, there can be no assurance that suitable investments will be available (whether as a result of the current dislocation in the financial markets or otherwise) or selected by Drum or that a Fund will be able to invest fully its committed capital. To the extent that a significant portion of a Fund's committed capital is not invested, the Fund's potential for return may be diminished. Similar considerations will affect the success or failure of the Manager Funds in which a Fund invests. Identifying attractive investment opportunities in Manager Funds and Direct Investments is difficult and involves a high degree of uncertainty. Even if attractive Manager Funds are identified, there is no assurance that the Fund will be permitted to invest in such Manager Funds or will be offered co-investment opportunities in their portfolio companies. Moreover, in the event a Fund is permitted to invest in such Manager Funds, there can be no assurance that such Manager Funds will be able to invest fully all of the capital committed to them by a Fund. Further, the failure of Drum to identify appropriate Direct Investment opportunities may result in a portfolio with significantly less than 20% of the allocated capital invested in Direct Investments, which may adversely affect the performance of a Fund.

Leverage. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Funds. Although a Fund will generally seek to invest in Manager Funds that limit or prohibit the use of leverage, certain of the Manager Funds and some of the portfolio companies in which a Fund directly or indirectly invests may employ a material amount of leverage, and the Fund will have no ability to control the use of leverage by such companies. In general, leverage will increase the exposure of these companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry, and may impair their ability to finance their future operations and capital needs and repay indebtedness owing to Manager Funds or the Funds (in the case of Direct Investments). As a result, the flexibility of these companies to respond to changing business and economic conditions and to business opportunities may be more limited than if they did not employ leverage.

Additionally, a Fund may borrow for the purpose of financing its investments, make distributions, pay operating expenses or for such other purposes as the General Partner may determine, which may result in increasing the overall exposure of the Fund to the risks of leverage. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable. In such situations, it is not expected that such Fund would be compensated for providing such guaranty or exposure to such liability. The use of leverage by a Fund also will result in interest expenses and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Nature of Distressed Investments. The Funds will indirectly and directly invest in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative and involve significant risk. Distressed securities frequently do not produce income while they are outstanding. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy work out of bankruptcy proceedings, during which the issuer of those obligations might not make any interest or other payments. The holder of distressed securities may often be required to bear certain extraordinary expenses if it is forced to seek recovery upon a default of a portfolio holding or if it participates in the restructuring of the obligation. Such expenses may be expected to be borne, in the case of Direct Investments, by the Funds and, in the case of Manager Funds, directly by the Manager Funds and indirectly by the Funds. Distressed investments also entail a higher level of credit risk (loss of income and/or principal) than investments in higher-rated securities. Securities rated in the lower rating categories are considered to be predominantly speculative with respect to capacity to pay interest and repay principal. In addition, the credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such securities. Issuers of high-yield debt instruments may be highly leveraged and may not have available to them more traditional methods of financing. New issuers also may be inexperienced in managing their debt burden. An issuer's ability to service its debt obligations may be adversely affected by business developments unique to the issuer, the issuer's inability to meet specific projected business forecasts, or the inability of the issuer to obtain additional financing. High yield debt instruments are often unsecured and subordinated to other creditors of the issuer. Such investments also tend to be more sensitive to economic conditions than investment grade securities.

Interest Rate Risk. In addition, distressed investments are subject to interest rate risks. "Interest rate risks" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Nature of Bankruptcy Proceedings. There are a number of significant risks when investing in companies involved in bankruptcy proceedings, including, but not limited to, the risks set forth below. First, many events in a bankruptcy are the product of contested matters and adversary

proceedings that are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. Further, if the proceeding is converted to liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be adversely impacted by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until it ultimately becomes effective. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Fifth, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, especially in the case of investments made prior to the commencement of bankruptcy proceedings. Sixth, certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors. Seventh, a creditor (such as a Manager Fund or a Fund itself) that is represented on a creditors' committee may owe certain obligations generally to all creditors similarly situated that the committee represents and may be subject to various trading or confidentiality restrictions. Because a Fund and/or a Manager Fund will agree to indemnify persons serving on a creditors' committee on their behalf for claims arising from breaches of those obligations, indemnification payments by a Fund and/or a Manager Fund would adversely affect a Fund's return on investment.

Control Positions. The Manager Funds or the managers of Direct Investments may directly or indirectly take control positions in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violations of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were imposed, a Fund could suffer material losses in its investments.

Concentration of Investments. While some diversification of investment risk is expected to result from the investment approach of a Fund, no assurance can be given that such diversification will occur, or if it does, that it will increase, rather than reduce, potential net profits. The investments of the Funds that are funds of funds will be concentrated in Manager Funds that invest heavily in distressed securities and, on occasion, in Direct Investments. In addition, the Manager Funds in which a Fund intends to invest will not be limited in any manner from investing in companies in which other Manager Funds invest. SSPIVC's investments will be concentrated primarily in Direct Investments. As a consequence, a Fund's investments may be more concentrated in a limited number of distressed companies than originally expected. Furthermore, each investment opportunity will present specific risks relevant to the industry, structure, management and environment in which the underlying company competes. These risks cannot be fully assessed at this time and could be significant. The concentration of investments could cause a proportionately greater loss than if a larger number of investments were made.

Risks Inherent in International Investments. In general, for the Funds that are funds of funds, at least 80% of their capital contributions will be invested in:

- Manager Funds whose primary focus is to invest in the obligations of companies that are domiciled or have their principal operations in the United States or North America; and

- Direct Investments in issuers that are domiciled or conduct a majority of their operations in the United States or North America.

The remaining portion of their assets may be invested in Manager Funds with a primary focus on international investments and/or Direct Investments of issuers domiciled, or conducting a majority of their operations, outside the United States or North America.

At least 80% of SSPIVC's capital contributions will be invested in Direct Investments of issuers that are domiciled or conduct a majority of their operations in the United States or North America. The remaining portion of SSPIVC's assets may be invested in Direct Investments of issuers domiciled, or conducting a majority of their operations, outside the United States or North America.

Investments on an international basis involve certain risks not involved in domestic investments, including fluctuations in foreign exchange rates, future political and economic developments, different legal systems and the existence or possible imposition of exchange controls or other foreign or U.S. governmental laws or restrictions applicable to such investments, and confiscatory taxation and restrictions on repatriation of investment income and capital. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those of U.S. companies.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease outbreaks or epidemics (e.g., COVID-19) or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's investments.

Counterparty Risk. To the extent that the Manager Funds invest in swaps, "synthetic" or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Funds are indirectly subjected the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from the risks involved in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily market-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly

between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Forward Trading. Certain of the Funds and/or Manager Funds may engage in forward trading. Forward contracts (including foreign exchange) and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated – there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration, which could result in substantial losses to Funds and/or the Manager Funds. (See Item 12 – *Brokerage Practices – Forward Currency Contracts*)

Operational and Information Security Risk from Cyberattacks. The Funds, the managers of Manager Funds and their respective service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting the Funds, Drum, the managers of Manager Funds or their respective service providers may adversely impact the Funds. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate a Fund’s net asset value, cause the release of private investor information or other confidential information, impede trading, subject the Funds, the managers of Manager Funds and their respective service providers to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Funds, and may cause the Funds’ investments to lose value. The Funds, the managers of Manager Funds and their respective service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

Conflicts of Interest. Drum personnel and Drum-related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the accounts of other Funds, and providing administrative and other services to Funds. In the ordinary course of Drum conducting its activities, the interests of a Fund may conflict with the interests of Drum or its affiliates. Certain of these conflicts of interest are discussed herein.

Provision of Services by Drum to Funds. Drum provides certain administrative services to SSP I and SSP II pursuant to the terms of certain administrative agreements between Drum and such Funds and is paid a quarterly fee for its services. The fee rate for Drum’s services is identical to the rate charged that had been charged by the predecessor independent fund administrator, and additionally is subject to a cap based on a percentage of aggregate capital commitments. The terms by which Drum provides administrative services to SSP I and SSP II have been approved by the Funds’ respective advisory committees.

Certain situations described herein subject Drum and/or its affiliates to potential conflicts of interest. Drum attempts to resolve such conflicts of interest in light of its obligations to the Funds. To the extent that an investment or relationship raises particular conflicts of interest, Drum will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary or deemed appropriate, Drum consults and receives consent to conflicts from an advisory committee consisting of investors of the relevant Funds.

Co-Investments. In the event that Drum has a right to capacity on a particular investment opportunity that is in excess of the aggregate amount that it deems reasonable and appropriate to allocate to the Funds, Drum expects to offer and allocate such investment opportunity to one or more investors or other persons (including Drum's principal, employees or affiliates) as a co-investment opportunity. In determining how to offer and allocate such a co-investment opportunity, Drum will take into consideration a variety of factors, including, but not limited to: (i) expressed interest in co-investment opportunities, (ii) expertise of the prospective co-investor in the industry to which the investment opportunity relates, (iii) perceived ability to quickly execute on transactions, (iv) tax, regulatory, securities laws and/or other legal considerations, (v) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity, (vi) perceived ease of process in coordinating or completing the investment with the prospective co-investor, (vii) Drum's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Drum's ability to execute the relevant transaction in the desired time or on desired terms, (viii) size of the investment allocation and practicality of dividing it up among multiple co-investors, (ix) perceived public relations and reputational benefits or costs, and (x) whether Drum believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Funds.

Allocation of Investment Opportunities. Drum's allocation of investment opportunities among the Funds in the manner discussed herein often will not, result in proportional allocations among the Funds, and such allocations likely will be more or less advantageous to some Funds relative to others. While Drum will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Drum may be subject, discussed herein, did not exist. *(See Item 12 – Brokerage Practices – Allocation of Investment Opportunities)*

Management of Multiple Funds. The management of multiple Funds have the potential to result in conflicts of interests when Drum and its related persons allocate time and investment opportunities among the Funds. In addition, the compensation Drum earns from each Fund is expected to differ from the compensation earned from other Funds. In order to mitigate associated conflicts, Drum will generally follow documented procedures in allocating investment opportunities among the Funds. *(See Item 12 – Brokerage Practices)*

Item 9. Disciplinary Information

Drum has no legal or disciplinary events to report to a client's or prospective client's evaluation of Drum's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Drum has no other financial industry activities and affiliations to disclose except for those previously described under Item 4 “Advisory Business.”

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

As a fiduciary, Drum owes an undivided duty of loyalty to its clients and thus demands the highest standards of ethical conduct and care by all of its employees (the “Employees”). Drum has adopted policies designed to ensure that Employees conduct themselves so as to avoid, to the extent possible, not only actual conflicts of interest with clients but any conduct that could give rise to the appearance of a conflict of interest that might compromise the trust placed in Drum by its clients.

Drum has adopted a Code of Ethics (the “Code”) that establishes rules of conduct for Employees and is designed to, among other things, govern personal securities trading activities. The Code is based upon the principle that Drum has a fiduciary obligation to their clients to conduct their affairs, including any personal securities transactions, in such a manner as to avoid:

- serving their own personal interests ahead of clients,
- taking inappropriate advantage of their position with Drum, and
- any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code purports to ensure that in its business relationships, Drum and the Employees observe the highest ethical standards and conduct. The Code:

- requires compliance with the federal securities laws;
- reflects Drum’s fiduciary responsibilities and those of its advisory personnel;
- provides standards of honest and ethical conduct and precludes activities which may lead to or give the appearance of conflicts of interest between personal and professional relationships;
- prohibits certain personal securities transactions;
- requires Drum personnel to periodically report and/or pre-clear certain personal securities transactions;
- addresses prevention of the misuse of material nonpublic information and other forms of unethical business conduct;
- facilitates prompt internal reporting of violations of the Code; and
- provides accountability for adherence to the Code.

At times, Employees (or their immediate family members) invest in the partnerships, funds, or the same investment funds in which the Funds invest, provided that they obtain prior approval from the CCO and such transactions comply with the Code of Ethics and applicable laws.

Drum and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar.

Drum does not currently expect to engage in principal transactions. Drum will not engage in a principal transaction unless it receives prior client consent and such transaction complies with applicable law.

The Code will be provided to any client or prospective client upon request.

Item 12. Brokerage Practices

Best Execution. As described earlier in this brochure, Drum acquires assets for the Funds primarily through investment in private equity pooled vehicles and Direct Investments in privately owned companies. Hence, Drum does not often use the services of broker-dealers to execute transactions.

In those limited instances (if any) in which it does utilize a broker-dealer, Drum will seek to obtain best execution. In selecting a broker-dealer, Drum seeks best execution and takes into account numerous factors, including, but not limited to, price (including the applicable dealer spread or commission, if any) and the financial stability and reputation of the broker. Drum, in seeking to obtain the best execution of portfolio transactions, may consider the quality and reliability of brokerage services, as well as the investment information and other services provided by brokers or dealers. As of the date hereof, Drum is not receiving research products or services in connection with client brokerage arrangements.

Drum and its related persons have complete authority to determine, without obtaining the consent of the investors of any Fund, the securities to be sold, the amount of securities to be sold, the broker or dealer to be used (if any) and the commission rates to be paid to the brokers and dealers.

Research and Other Soft Dollar Benefits. Drum does not currently have any formal soft dollar arrangements. If it determines to engage in soft dollar transactions in the future, it intends to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Aggregation of Trades. Drum's investments do not lend themselves to aggregation because Drum does not typically trade.

Allocation of Investment Opportunities. Drum generally expects to allocate investment opportunities in a manner that it believes is in the best interests of all of its participating clients. Although such allocations may be *pro rata* as to the participating clients, they will not necessarily be so, where Drum's allocation policies dictate a different result. For example, in allocating such investment opportunities Drum will consider, without limitation, the proposed investment's size, liquidity and time horizon; each client's diversification guidelines and differing objectives; the likelihood of current income; the anticipated duration of the investment, the likelihood of additional "add-on" capital; and available capital. Allocations also have the potential to differ for tax, regulatory or other reasons as deemed appropriate by Drum. Subject to the foregoing, Drum expects to allocate investments among clients on a *pro rata* basis based on available capital. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. Where conflicts arise in the allocation of investment opportunities, Drum seeks to resolve such conflicts fairly.

To the extent that a particular investment opportunity exceeds the desired allocation to the Funds, or there are prospective investors that we believe will be of benefit to the Funds or who may provide a strategic, sourcing or similar benefit to Drum, the Funds or their respective affiliates due to industry expertise, end-user expertise or otherwise, Drum reserves the right to, in

its discretion, offer the opportunity to co-invest alongside the relevant Funds to, or otherwise partner with, one or more such strategic co-investors or any other person (including Drum or its affiliates). No investor should have any expectation of receiving an investment opportunity or to be owed any duty or obligation in connection therewith.

Forward Currency Contracts. When Drum believes that it is prudent to do so, Drum may purchase forward currency contracts. Such transactions include commissions paid to the commodity broker(s) through which the transactions are executed. Drum may, for operational and/or other reasons, and at its sole discretion, utilize a limited number of parties to execute such transactions and potentially only one counterparty. When choosing the counterparty or counterparties through which client foreign currency transactions will be executed, Drum will do so based upon the belief that any such party will provide favorable execution for the foreign currency transactions entered into by Drum for its clients.

Item 13. Review of Accounts

Review of Accounts. Through regular discussions and meetings with the underlying managers of Manager Funds and Direct Investments if applicable, Drum monitors each manager's progress against investment guidelines and stated strategies and objectives. All members of the IC and investment team are involved in the active monitoring process of Direct Investments and the underlying managers of Manager Funds.

Investment monitoring generally entails some or all of the following: (a) obtaining information on the prospects for achieving near-term objectives, (b) assessing the level and quality of deal flow and the competitive environment for deals, (c) compiling status reports on existing investments, (d) discussing potential or actual problems within a portfolio company and/or within an underlying fund manager, (e) using third-party bids and pricing to monitor the performance of the Manager Fund holdings and Direct Investments and determine intra-period investment attribution, and (f) evaluating general market conditions. As part of this process, Drum will participate on advisory and valuation boards of fund of fund and co-invest vehicles, as well as direct operating companies (as appropriate), attend annual investor meetings of the Funds' underlying Manager Funds and provide investors with written quarterly reports on the Funds' progress. Drum believes that these monitoring activities will allow for early detection of issues and enable it to propose effective solutions to managers. Drum will also monitor, where possible, the aggregate portfolio company holdings of the Funds. This allows Drum to monitor the pricing movements of each position and the intra-period developments and news that can affect portfolio company fundamentals.

Reports to Fund Investors. On a quarterly basis, Drum provides unaudited financial statements for each Fund, a capital account statement for each partner and an internally prepared investor letter.

In addition, investors receive audited financial statements for the appropriate Fund on an annual basis.

Side Letters and Additional Reporting. Pursuant to side letter agreements with certain investors in the Funds, Drum provides such investors with access to more frequent and/or more detailed information regarding the Funds' holdings, performance, finances, and management and/or other information about the Funds or Drum, possibly enabling such investors to better assess the prospects and performance of the Funds. In addition, investors may be provided with certain information about Drum and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Drum is sufficient for its needs.

Item 14. Client Referrals and Other Compensation

Drum may enter into compensation arrangements with third party solicitors for new advisory business. Drum has in the past retained a number of third parties to serve as placement agents or consultants for certain of the Funds, which are paid a fee based upon the amounts each such placement agent raises from referred investors into the applicable Fund. In addition, these third parties have certain of their expenses reimbursed. Any fees or expense reimbursements payable to such third party solicitors are borne by Drum either directly or indirectly through an offset against the applicable Fund's management fee.

Further, Drum has retained a placement agent that will be used in connection with one or more private funds that are expected to be managed by Drum in the future. The compensation arrangement for this placement agent is similar to the compensation arrangement set forth above.

Item 15. Custody

Drum is deemed to have custody of the assets contained in the Fund portfolios, since a wholly owned subsidiary of Drum serves as General Partner of each of the Funds. However, it is not required to comply (or is deemed to have complied) with certain requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Custody Rule”), with respect to each Fund because it complies with the provisions of the “Pooled Vehicle Annual Audit Exception”, which, among other things, requires that (i) each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (ii) each Fund shall distribute its audited financial statements to all its investors within 120 days or 180 days of the end of its fiscal year (as applicable, depending on the relevant requirements under the Custody Rule).

Item 16. Investment Discretion

Drum provides discretionary investment advisory services to each of the Funds. Drum makes investment decisions, without consultation with a particular Fund or its Fund investors, regarding which assets or securities are bought and sold for the Fund, the total amount of the assets to be bought and sold, the broker-dealers (if any) with which orders are placed for execution and (as applicable) the commission rates at which securities transactions are effected. The investors in the Funds generally may not place any limit on Drum's authority beyond the limitation set forth in their offering and governing documents.

Item 17. Voting Client Securities

Because Drum rarely invests in public companies or equity stocks, the question of how to vote client securities seldom arises. However, Drum is requested from time to time to vote on behalf of a Fund, in its capacity as an investor in a Manager Fund, on certain proposals, amendments, consents, or resolutions (*i.e.*, “proxies”). As such, Drum has adopted and implemented proxy voting policy and procedures. Drum has voting authority and responsibility with respect to securities held by the Funds.

In voting proxies, Drum is guided by general fiduciary principles. Drum shall vote all proxies in a manner that serves the best interest of the Funds, taking into account the following factors:

- the impact on the value of or on the prospective returns of the relevant Manager Fund;
- the continued or increased availability of information regarding the relevant Manager Fund;
- industry and business practices; and
- consistency with the Funds' stated objectives.

In general, Drum will segregate proxies into two categories:

- those covering primarily administrative or routine matters on which a vote is requested and
- non-recurring or extraordinary matters, such as a material change in the terms of the relevant Manager Fund.

Absent a particular reason to the contrary, it is Drum's general policy to vote in accordance with the recommendations of a Manager Fund's underlying manager on administrative or routine matters.

In the case of non-recurring or extraordinary matters, the relevant IC shall consider such proxies on a case-by-case basis. The approval of a majority of the members of the IC is necessary, and Drum shall vote such proxies as recommended by the IC.

Drum at times may determine that refraining from voting a proxy is in the client's best interest, such as when Drum's analysis of a particular proxy indicates that the cost of voting the proxy may exceed the expected benefit to the client.

An attempt will be made to identify potential conflicts of interest that exist between the interests of Drum and the Funds. Other than as addressed in the Fund's offering materials and governing documents, if a material conflict of interest over proxy voting arises between Drum and a Fund, such conflict shall be presented to the Fund's advisory board for approval.

Records of proxy voting shall be maintained and preserved in accordance with the policy and procedures set forth in Drum's Regulatory Compliance Manual. Such records shall include

copies of all proxy statements received, a record of how Drum voted such proxies, and any investor requests to review proxy votes.

Clients may request a copy of Drum's Proxy Voting Policy and Procedures, as well as applicable proxy voting records, by contacting Drum orally or in writing.

Item 18. Financial Information

Drum has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, Drum does not require or solicit prepayment of more than \$1,200 in fees six months or more in advance.