

INVESTMENT ADVISER BROCHURE

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March 24, 2020

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of SF Equity Partners Management, LLC and its advisory affiliates (“SF Equity Partners” or “SFEP”). If you have any questions about the contents of this Brochure, please contact us at (415) 738-1200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

SF Equity Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding SF Equity Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

SF Equity Partners Management, LLC's initial Brochure was filed on June 27, 2019. As required annually, SF Equity Partners Management, LLC's is updating Part 2A reflecting the following changes since the last update to this Brochure:

- Item 4 – Updated regulatory assets under management;
- Item 5 – Updated to expand on existing fee and expense disclosures; and
- Item 8 – Updated certain risks.

In addition, the Brochure includes others updates to various items to reflect current business practices, risks and related disclosures.

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Item 4 – Advisory Business

SF Equity Partners Management, LLC is a Delaware limited liability company and a registered investment adviser, which commenced operations in 2005 by Scott Potter, Managing Partner, and is 100% owned by Mr. Potter. This Brochure also describes the business practices of SF Equity Partners GP, LLC, SFEP, LLC, SFEP III, LLC, SFEP I, LLC, SFEP II GP, LLC, and SF Equity Partners Management, LLC (each, a “**General Partner**” and, collectively, the “**General Partners**”), its affiliated general partner entities (together with SF Equity Partners Management, LLC, “**SF Equity Partners**,” or “**SFEP**” or the “**Adviser**”). The General Partners operate as a single advisory business together with SFEP.

The Adviser provides discretionary investment advisory services to investment funds privately offered to qualified investors.

The Adviser’s clients include the following (each, a “**Fund**” or “**Partnership**” and, together with any future private investment fund to which SFEP or its affiliates provide investment advisory services, the “**Funds**” or “**Partnerships**”):

- San Francisco Equity Partners, L.P.
- San Francisco Equity Partners II, L.P.
- San Francisco Equity Partners III, L.P.
- SF Equity Partners, LP

SFEP also manages certain single purpose private equity vehicles to hold one investment or platform of investments (“**SPV Funds**”).

The Funds are private equity funds that invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Each General Partner serves as a general partner to the relevant Fund and has the contractual authority under the limited partnership agreement or other operating agreements or governing documents of the relevant Fund (each, a “**Partnership Agreement**”) to make investment decisions for, and to provide day-to-day advisory services to, such Fund. SFEP’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Senior SFEP principals and/or Operating Partners generally will assume active management roles and/or serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

SFEP's advisory services to the Funds are detailed in the applicable Partnership Agreements and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." The Funds or the General Partners enter into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, SF Equity Partners expects to provide (or agree to provide) certain investors or other persons, including SFEP's personnel and/or certain other persons associated with SF Equity Partners and/or its affiliates (to the extent not prohibited by the applicable Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-investment vehicles) that will invest in certain portfolio companies alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on substantially the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in SFEP's sole discretion, SFEP is authorized to charge interest on the purchase to the co-investor or co-investment vehicle, and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2019, SF Equity Partners manages approximately \$226 million in client assets on a discretionary basis.

Item 5 – Fees and Compensation

In general, the Adviser receives a Management Fee (as described below) and a carried interest in connection with advisory services. In addition, the Adviser may receive additional compensation, including monitoring and other consulting fees, in connection with management and other services performed for portfolio companies of the Funds. Such additional compensation is typically subject to a cap, as prescribed in the Partnership Agreements. Investors in the Funds also bear certain Fund expenses.

SF Equity Partners LP

Management Fees

During its investment period, the Fund will pay the management company a management fee equal to 2.0% of such Limited Partner's capital commitment during the investment period. Beginning with the first fiscal quarter following: (a) the termination of the investment period, and continuing until

the third anniversary thereof, the management fee with respect to each Limited Partner shall be equal to 2.0% of such Limited Partner's Actively Invested Capital; (b) the third anniversary of the termination of the investment period, and continuing until the termination of the Fund, the management fee with respect to each Limited Partner shall be equal to 1.5% of such Limited Partner's Actively Invested Capital (lesser of cost or fair market value).

The Adviser may receive consulting, advisory, directors', investment banking, monitoring, transaction, closing or break-up fees ("**Monitoring or Other Fees**") from or in respect of any portfolio company investment made by the Fund. However, the management fee will be reduced by any Monitoring or Other Fees received in excess of: (i) \$800,000 during any fiscal year prior to the fifth anniversary of the initial closing of the Fund, and (ii) \$500,000 during any fiscal year thereafter.

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is SFEP's practice to retain certain Operating Partners (together, "**Operating Partners**") to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Operating Partners generally may provide services, which may include serving in management or policy-making positions for portfolio companies. Operating Partners may receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee and all or a portion of that compensation will be borne by a Fund directly or indirectly via its ownership interest in such portfolio companies. Any use of Operating Partners subject's SF Equity Partners to conflicts of interest, as discussed under "Methods of Analysis, Investment Strategies and Risk of Loss—Conflicts of Interest," below.

Adviser may waive or reduce the management fee for certain Limited Partners, such as, employees or family members, at its discretion.

Carried Interest

Each General Partner is entitled to receive carried interest with respect to the corresponding Fund equal to 20% of all non-affiliated partners' realized profits more than a preferred return of 8.0%, as more fully described in the Partnership Agreement. Carried interest distributed to the relevant General Partner is subject to a potential payback or "clawback" provisions at the end of the life of the Fund if the Adviser has received excess cumulative distributions. Generally, the carried interest is payable when an investment is sold, subject to the preferred return and the waterfall as documented by the Funds' Partnership Agreements.

Expenses

The Adviser shall bear all normal operating expenses incurred in connection with the management of the Fund, including, expenditures on account of salaries, wages and other expenses of employees (but not Operating Partners compensation, which are typically borne directly by portfolio companies) of SFEP, rentals payable for space used by the SFEP, and utilities, office supplies and equipment expenses.

The Funds (and therefore the Investors indirectly) shall pay or reimburse the Adviser for all fees, costs, expenses, liabilities and obligations relating to the Funds' and/or its subsidiaries' activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including, without limitation: (a) all fees, costs, expenses, liabilities and obligations attributable to sourcing, structuring, organizing, acquiring, managing, operating, holding (including expenses of tracking facilities), hedging, taking public or private, valuing, winding up, liquidating or dissolving and disposing of the Funds' investments (including, without limitation, interest and fees on money borrowed by the Fund, the General Partner on behalf of the Fund, registration expenses and brokerage, finders', custodial and other fees), whether consummated or unconsummated and whether or not such activities are successful; (b) indebtedness of, or guarantees made by, the Fund or the General Partner on behalf of or in respect of the Fund (including any margin loan, credit facility, letter of credit or similar credit support), including interest with respect thereto, or evaluating, negotiating or seeking to put in place any such indebtedness or guarantee; (c) legal, accounting, asset and financial administration, custodian, bookkeeping, recordkeeping or professional services fees and expenses relating to the Fund and its activities, fees and expenses relating to outsourced finance, investor reporting, fund administration, accounting and back-office services, depositary, auditing, insurance (including, without limitation, directors and officers errors and omissions liability and other insurance), employee and Operating Partner travel and entertainment expenses, litigation and indemnification costs and expenses, judgments and settlements, expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, including claims by or against a governmental authority, consulting, broker, finder's, financing, commitment fees, printing, transfer, registration, appraisal, third party valuations, filing and other fees and expenses (including, without limitation, fees, costs and expenses associated with the preparation or distribution of the Fund's financial statements, tax returns, tax estimates and Schedules K-1 or any other administrative, regulatory or other Fund-related reporting or filing (including Form PF), including any filings, notifications, reports or other regulatory requirements contemplated by or arising under the European Union's Alternative Investment Partnership Managers Directive or any other similar law, rule or regulation (including any implementing law, rule or regulation relating thereto)), all fees and expenses incurred in connection with the maintenance of a registered agent and office in the State of Delaware; (d) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund, the portfolio investments or the Limited Partners and any activities with respect to protecting the confidential or non-public nature of any information or data; (e) defaults by Partners in the payment or timely payment of any Capital Contributions; (f) all fees, costs and expenses of the Advisory Committee; (g) all broken deal expenses; (h) unreimbursed expenses incurred in connection with any transfer or proposed transfer (i) all fees, costs and expenses incurred by the Fund, the General Partner, the Management Company or any of their affiliates in connection with any conference or meeting of the Limited Partners; (j) the management fee; (k) all organizational expenses; (l) all placement fees; (m) any taxes, fees and other governmental charges levied against the Funds; (n) expenses paid to third parties in connection with the organization and funding of the Partnership; (o) costs and expenses that are classified as extraordinary expenses under GAAP (including, without limitation, litigation, indemnification, judgments and settlements, if any); (p) fees and expenses relating to the regulatory compliance of the General Partner, the management company and their affiliates; (q) fees and expenses related

to attending industry conferences relating to sourcing or monitoring investments; (r) all fees costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding up of any alternative investment vehicles; (s) unreimbursed costs and expenses incurred in connection with any transfer; (t) all expenses that are not normal operating expenses; (u) all other expenses properly chargeable to the activities of the Partnership; and (v) any other expenses approved by the Advisory Committee.

SPV Funds and Predecessor Pooled Vehicle Funds

While generally similar to the terms SF Equity Partner, LP, the management fees, carried interest, and other fees and expenses were individually negotiated and therefore the fee and expense terms may vary in each SPV Fund and each predecessor Funds. Investors should review the governing documents closely.

At times, service providers are expected to perform services pertaining to multiple Funds or related entities. In such instances, SFEP will allocate the total expense to multiple entities, including a Fund, *pro rata* or using what it believes to be a fair and equitable allocation methodology. To the extent brokerage fees are incurred, they will be incurred in accordance with the practices set forth in “Brokerage Practices” section of this Brochure.

As described above, in certain circumstances, each General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to SFEP’s related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-investment 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. If a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary to consummate such transaction, ultimately is not consummated, all break-up fees relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such break-up fees.

As described more fully in the applicable Partnership Agreement of each Fund, Operating Partners will assume active management or board roles or other services to (or with respect to) certain portfolio companies in which such Fund may invest. In connection with such services, such affiliates or personnel generally receive compensation directly from such portfolio companies. Portfolio companies are generally required to reimburse SF Equity Partners for out-of-pocket expenses (e.g., travel to board meetings or onsite visits) incurred. The amount of such reimbursements has the potential to be significant. SF Equity Partners and/or its affiliates generally have discretion over whether to charge monitoring fees portfolio company and, if so, the fee rate or amount. The receipt of monitoring fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and SF Equity Partners and/or its affiliates, on the other hand. This conflict of interest is discussed further in Item 11 - Interest in Client Transactions and Personal Trading.

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

As described under “Fees and Compensation,” each General Partner receives a carried interest allocation on certain realized profits in its respective Funds. The carried interest may create conflicts of interest, including an incentive for the Adviser and the General Partner to take risks in managing the Funds that they might not otherwise take. SF Equity Partners seeks to address the potential conflicts of interest in this area with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and governing agreements, as well as other factors that do not include the amount of performance-based compensation received.

The existence of performance-based compensation has the potential to create an incentive for each General Partner to make more speculative investments on behalf of its respective Fund than it would otherwise make in the absence of such arrangement, although SF Equity Partners generally considers performance-based compensation to better align its interests with those of its investors.

Item 7 – Types of Clients

SF Equity Partners provides investment advice to the Funds, which may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. Investors participating in the Funds may include individuals, institutions, other investment entities, endowments, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of SF Equity Partners and its affiliates and members of their families, or other service providers retained by SF Equity Partners.

The Funds generally have a minimum investment amount as set forth in the relevant Partnership Agreements and the Funds’ interests are offered and sold primarily to qualified purchasers (or qualified knowledgeable SFEP personnel). Such minimum investment amount may be waived by the each of the General Partners.

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

SF Equity Partners seeks to act as lead investor in each portfolio company investment by acquiring a significant minority or control equity position. SFEP targets investments in consumer growth companies, including but not limited to the following spaces: beauty and personal care, food and beverage, health and wellness, apparel, household products, outdoor and recreation, pet care and specialty retail. The core elements of executing SFEP’s strategy includes: a focus on growth state consumer companies thesis.

SFEP has developed a rigorous and efficient process to originate, evaluate and execute investment opportunities. The major elements of the investment process are described below.

- **Thesis Development.** The Firm’s investment theses incorporate both high-level macroeconomic and consumer sector-wide trends as well as specific industry and retail channel dynamics.

- **Sourcing.** Proactive origination of deal flow is a core tenet of SFEP, with a focus on quality of deal flow as opposed to quantity of deal flow. SFEP leverages its proprietary network for deal flow and therefore the Principals have an extensive network of consumer-focused and generalist intermediaries and are regular attendees at consumer industry events.
- **Due Diligence.** SFEP's investment team adheres to a rigorous diligence process and has the ability to move quickly through diligence due to its extensive experience executing private equity investments, its intimate knowledge of the consumer space and its ability to tap SFEP's network of experts for feedback on specific brands or products. The diligence process will typically be led by at least two of SFEP's Principals, however all Principals are involved at some level throughout the process. Key elements of the Firm's diligence process may include numerous meetings with a company's senior and middle management, on-site visits, reference checks with suppliers and customers, category studies, competitive analyses, operations reviews, and in-depth analysis of historical and projected financial performance. SFEP works collaboratively with company management during the diligence process to 1) develop a high-level strategic growth plan for the company and 2) clearly identify ways in which the Principals will be able to assist management in executing that growth plan. The diligence process culminates in a final review of the opportunity by the investment committee, in which the entire SFEP investment team typically participates.
- **Portfolio Company Monitoring and Value-Add.** Active involvement in the management of partner companies is a fundamental component of SFEP's investment approach. The Principals are closely involved in the strategy and operations of each partner company. Typical areas of the SFEP's involvement include team-building, clarifying consumer value proposition and brand positioning, identifying new distribution opportunities and forging relationships with retail buyers, building effective in-store and digital/viral marketing campaigns, optimizing margin structure through supply chain management, and balancing the tradeoff between revenue growth and profitability as partner companies scale.
- **Realizing Value.** SFEP will seek to define a clear exit strategy for each partner company prior to investment. The Partnership's objective is to maximize the outcome of each investment, and SFEP regularly evaluates the financial performance, strategic positioning and near-term exit opportunities of each partner company to optimize returns for investors. The Principals are in frequent dialogue with industry participants across the consumer ecosystem, including executives at large CPG companies, consumer industry-focused investment bankers and investment professionals at larger consumer-focused private equity firms. The Principals believe that this ongoing dialogue enhances the strategic alternatives available to SFEP's partner companies and assists the Principals in determining the optimal time and process through which to pursue liquidity for a given investment.

Risks of Investment

All investing involves a risk of loss and the investment strategy pursued by the Advisor could lose money over short or even long periods. Key risk areas inherent to investing in portfolio companies include operational, investment and market risks. SFEP seeks to mitigate these risks through a variety of mechanisms, including operational due diligence, risk modeling, and appropriate

investment structuring. The Funds and their investors bear the risk of loss that SFEP's investment strategy entails. The risks involved with SFEP's investment strategy and an investment in a Fund include, but are not limited to:

Risks in Private Investments. A Fund's investment portfolio is expected to consist primarily of securities issued by privately-held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Growth Stage Companies. A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Concentration of Investments and Focused Strategy. A Fund typically participates in a limited number of investments and may seek to make most investments in one industry or one industry segment, such as consumer growth. As a result, such Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or such industry generally may substantially affect its aggregate return

Lack of Sufficient Investment Opportunities. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners are typically required to pay annual management fees based on the entire amount of their commitments.

Future and Past Performance. The performance of SFEP's prior investments, or those of any prior firm, is not necessarily indicative of a Fund's future results. While each General Partner intends for the applicable Fund to make investments that have returns commensurate with the risks undertaken, there can be no assurances that any such performance will be achieved. On any given investment, loss of principal is possible.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund

(including any management fee payable to the relevant General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Reliance on the General Partners and Portfolio Company Management. Control over the operation of a Fund is typically vested entirely with the applicable General Partner, and the Funds' profitability depends largely upon the business and investment acumen of the principals of such General Partner. The loss or reduction of service of one or more of the principals could have an adverse impact on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and, as a result, the investment performance of the Fund will depend entirely on the actions of the relevant General Partner. Although each General Partner will monitor the performance of its relevant Fund's investment, such General Partner will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although each Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

Minority Investments. Some of the Partnership's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the Partnership is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Partnership may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes. The Partnership may also invest in companies for which the Partnership has no right to appoint a director or otherwise exert significant influence. In such cases, the Partnership will be reliant on the existing management and boards of directors of such companies, which may include representatives of other financial investors with whom the Partnership is not affiliated and whose interests may conflict with the interests of the Partnership. Additionally, the Partnership may have limited ability to protect its position in such portfolio companies

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to

ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Cybersecurity Risks. External cybersecurity breaches, including unauthorized access to systems, networks or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality, may occur. In addition, internal incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Partnership, the General Partner, the Management Company or other service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, such incidents could affect the Partnership's portfolio companies, and thereby adversely affect the Partnership's returns.

Public Health Risk. Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the countries in which the Fund may invest and thereby adversely affect the performance of the Funds' Investments.

Conflicts of Interest

The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Funds. The following is not intended as an exhaustive list of the potential conflicts.

SF Equity Partners and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account (including via General Partner and employee investments) and for the account of other Funds, and providing transaction-related, investment advisory, management and other services to Funds and portfolio companies. SF Equity Partners will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreements, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of SF Equity Partners conducting its activities, the interests of a Fund may conflict with the interests of SF Equity Partners, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, SF Equity Partners will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by SFEP's principals through such Fund, subject to certain limited exceptions. Without limitation, SF

Equity Partners principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing and may direct certain relevant investment opportunities to those investments. Such other investments that SF Equity Partners principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, SF Equity Partners principals may, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, SF Equity Partners will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of SF Equity Partners (such as co-investment and SPV Funds). In determining which investment vehicles should participate in such investment opportunities, SF Equity Partners and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of SF Equity Partners in a portfolio company may also raise the risk of using assets of a client of SF Equity Partners to support positions taken by other clients of SF Equity Partners or an advisory affiliate. SF Equity Partners attempts to resolve such conflicts of interest in light of its obligations to investors in the various Funds and the obligations owed by SFEP's advisory affiliates to investors in investment vehicles managed by them and attempts to allocate investment opportunities among the various Funds in a fair and equitable manner. Certain investments may be allocated between a Fund and any successor or predecessor fund in a manner as set forth in the applicable Partnership Agreement. Subject to such Partnership Agreement requirements, for each relevant investment opportunity, priority is given to consideration of such opportunity as a follow-on investment for an existing Fund and in some cases to another existing fund to which SFEP's principals have pre-existing obligations, such as those from prior firms. Where necessary, SF Equity Partners will consult and receive consent to conflicts from the relevant Fund or Committee.

SFEP's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While SF Equity Partners will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients 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 SF Equity Partners may be subject, discussed herein, did not exist.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, SF Equity Partners will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, SF Equity Partners may be faced with a variety of potential conflicts of interest.

Additionally, a portfolio company typically will reimburse SF Equity Partners or service providers retained at SFEP's discretion for expenses (including, without limitation, employee and Operating Partners' travel expenses) incurred by SF Equity Partners or such service providers in connection

with its performance of services for such portfolio company. This subjects SF Equity Partners and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements is expected to be substantial. SF Equity Partners determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to SF Equity Partners or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in such transactions. These factors help to mitigate related conflicts of interest.

SF Equity Partners generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with (i) SF Equity Partners or a related person of SF Equity Partners (which may include a portfolio company of such Fund), (ii) an entity with which SF Equity Partners or its affiliates or current or former members of their personnel has a relationship or from which SF Equity Partners or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, SF Equity Partners may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects SF Equity Partners to conflicts of interest, because although SF Equity Partners selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, SF Equity Partners may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that SF Equity Partners, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or SF Equity Partners), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not SF Equity Partners has a relationship or receives financial or other benefits from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Conflicts Related to Operating Partners. SFEP Operating Partners receive all or a portion of their compensation from or in respect of the relevant portfolio company. These arrangements have the potential to create conflicts of interest, in that the amounts paid to such Operating Partners by or in respect of portfolio companies do not result in additional offsets to the management fee of the relevant Partnership. Relationships between portfolio companies and Operating Partners are often initiated to meet a portfolio company need, and the arrangements between such Operating Partners and the related portfolio companies are expected to change over time, and in many cases will be terminated when the portfolio company is sold.

SF Equity Partners and/or its affiliates may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to

different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subject SF Equity Partners and/or its affiliates to potential conflicts of interest. SF Equity Partners attempts to resolve such conflicts of interest considering its obligations to investors in its Funds and the obligations owed by SFEP's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises conflicts of interest, SF Equity Partners will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, SF Equity Partners consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

Item 9 – Disciplinary Information

SF Equity Partners and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10 – Other Financial Industry Activities and Affiliations

As previously disclosed, SFEP is affiliated with General Partners of the Funds, each of which is an investment adviser subject to the Advisers Act pursuant to SFEP's registration in accordance with SEC Umbrella Registration instructions. These affiliated investment advisers operate as a single advisory business together with SF Equity Partners and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Item 11 – Interest in Client Transactions and Personal Trading

SF Equity Partners has adopted a Code of Ethics and Securities Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of SF Equity Partners principals and employees and addresses conflicts of interest that arise from personal trading. The Code requires certain SFEP personnel to report their personal securities transactions and obtain pre-clearance of IPOs, Private Placements and restricted securities. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to the Chief Compliance Officer, at (415) 738-1200. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

SF Equity Partners and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security, including information received in such affiliated persons' capacities as consultants, advisors or directors of non-SF Equity Partners businesses, including certain family offices. Under applicable law, SF Equity Partners and its

affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of SF Equity Partners.

Accordingly, should SF Equity Partners or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any public or non-public company, SF Equity Partners generally would be prohibited from communicating such information to clients, and SF Equity Partners will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of SF Equity Partners personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of SF Equity Partners and its affiliates may directly or indirectly own an interest in one or more Funds or portfolio companies, whether directly or indirectly through certain co-investment vehicles. Participation in the co-investment program is limited to persons with such knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investments. The eligibility of any person to participate in the co-investment, as well as the amount such person is permitted to invest, will be determined in the sole discretion of the SFEP's Chief Compliance Officer. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Item 12 – Brokerage Practices

SF Equity Partners focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, SF Equity Partners may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although SF Equity Partners does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If SF Equity Partners sells publicly-traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by SF Equity Partners. In such event, SF Equity Partners will seek to select brokers based on best price and execution capability. In selecting a broker to execute client transactions, SF Equity Partners may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

SF Equity Partners has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client

transactions to the extent consistent with the interests of such clients. Although SFEP generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

SF Equity Partners currently does not engage in soft dollar transactions but may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended.

In SFEP's private company securities transactions on behalf of the Funds, SF Equity Partners may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, SF Equity Partners may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although SF Equity Partners generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily pay the lowest commission or fee for such services.

Item 13 – Review of Accounts

SFEP focuses on investments almost exclusively in private equity. All investment decisions are made by SFEP's investment committee. SFEP regularly reviews and monitors its portfolio companies. SFEP reviews various metrics, including but not limited to the valuation, budgets, and overall performance of its portfolio companies.

Generally, each Fund will make available to each limited partner in written form (a) unaudited quarterly financial statements within 45 days after the first three quarters of each fiscal year, (b) annual audited financial statements within 120 days of the conclusion of each fiscal year, and (c) Partnership Schedules K-1 within 120 days of the close of each fiscal year.

Item 14 – Client Referrals and Other Compensation

SF Equity Partners does not currently have relationships with third parties for compensation related to referrals.

Item 15 – Custody

SF Equity Partners is considered to have custody due to related parties acting as general partner to the Funds. As a result, each Fund is audited by an independent accounting firm that is both registered and subject to the inspection of the PCAOB. The financial statements are delivered to each investor of the Funds within 120 days following the Funds' fiscal year-end.

Item 16 – Investment Discretion

SF Equity Partners has discretionary authority to manage investments on behalf of each Fund. As a general policy, SF Equity Partners does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Partnership Agreement.

Item 17 – Voting Client Securities

In the event, the Funds were to hold a public company, SF Equity Partners has adopted the SF Equity Partners *Proxy Voting Policies and Procedures* (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds’ (and any Fund’s) portfolio investments. The Proxy Policy seeks to ensure that SF Equity Partners votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. SF Equity Partners generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that SF Equity Partners may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s investment committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s investment committee may approve SF Equity Partners’ vote in a particular solicitation. SF Equity Partners does not consider service on portfolio company boards by SF Equity Partners personnel or SF Equity Partners’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by SF Equity Partners when voting proxies on behalf of a Fund. If you would like a copy of SF Equity Partners’ complete Proxy Policy or information regarding how SF Equity Partners voted proxies for particular portfolio companies, please contact SF Equity Partners’ Chief Compliance Officer, at (415) 738-1200, and it will be provided to you at no charge.

Item 18 – Financial Information

SF Equity Partners does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.