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Firm Brochure

May 15, 2020

NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of SQN Capital Management, LLC.

If you have any questions about the contents of this Brochure, please contact us at 212-422-2166 and/or email us at advisor@sqncapital.com

In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SQN Capital Management, LLC is a registered Investment Adviser with the Securities & Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

The oral and written communications of an Investment Adviser provides you with information with which you determine whether to hire or retain them as an Investment Adviser. Additional information about SQN Capital Management, LLC is also available on the SEC's web site at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Annual Update

This Item number discloses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. We also reference the date of our last update of our Brochure.

Material Changes since Our Last Brochure

Below is a summary of the material changes since our last Brochure dated March 31, 2019:

- Item 8 has been updated to include information on valuation policies.
- SQN Capital Management (International), LLC entered into a new advisory relationship with an offshore client which makes four in total, to date, for this Relying Advisor.

Copy of Brochure

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

Currently, our Disclosure Brochure may be requested by contacting the firm at 212-422-2166. The firm's website is www.sqncapital.com

Additional information about SQN Capital Management, LLC is also available via the SEC's website: www.adviserinfo.sec.gov.

The SEC's website also provides information about any persons affiliated with SQN Capital Management, LLC who are registered, or are required to be registered, as investment adviser representatives of SQN Capital Management, LLC.

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Part 2A, Appendix 1: The “Wrap Brochure” - SQN Capital Management, LLC does not sponsor a wrap fee program. Therefore, Part 2A, Appendix 1 is not applicable.

Item 4 – Advisory Business

SQN Capital Management, LLC (“SQN”), a Delaware limited liability company, was formed in December 2007 to act as the manager of Regulation D and public direct participation programs. SQN currently is the general partner and/or managing member of four investment funds: SQN Special Opportunity Fund, LLC (“SOF”); SQN Portfolio Acquisition Company, LLC (“PAC”); SQN Alternative Investment Fund III L.P. (“Fund III”); and SQN AIF IV, L.P. (“Fund IV”). PAC and SOF are each private placements which were offered under Regulation D of the Securities Act of 1933. Fund III and Fund IV are publicly registered direct participation programs.

SQN is the investment manager of two publicly-traded investment funds listed on the Main Market of the London Stock Exchange. The SQN Asset Finance Income Fund Limited which trades under the ticker symbol: SQN and SQNX. And the SQN Secured Income Fund plc which trades under the ticker symbol: SSIF.

SQN is the Relying Advisor to SQN Capital Management (International), LLC, the investment advisor to an offshore investment manager and family of funds on behalf of private clients. QINVEST SQN Income Fund (“QI1”), QINVEST SQN Income Fund II (“QI2”), QINVEST SQN Income Fund III (“QI3”), QINVEST SQN Income Fund IV (“QI4”) and are companies incorporated under the laws of the Cayman Islands.

(SQN Asset Finance Income Fund Limited, SQN Secured Income Fund plc, Fund III, Fund IV, PAC, SOF, QI1, QI2, QI3, and QI4 each, a “Fund” and collectively, the “Funds”).

SQN provides investment advisory services and management services to the Funds as well as to institutional separate accounts. Such services may include the selection, acquisition, management, and disposition of assets. With regard to QI1, QI2, QI3, and QI4, SQN’s role is limited to recommendations, review, and advice to the offshore unaffiliated Investment Manager.

SQN’s primary focus is on equipment leasing and asset finance investment opportunities and other alternative investments that are asset-intensive or collateral-based that generate regular income.

Each Fund has its own investment committee and its own investment objectives set forth in each Fund’s offering materials. Each Fund is managed by SQN in accordance with the Fund’s investment objectives without consideration of the individual investment objectives of any particular investor admitted to the particular Fund. Any individual purchasing securities in a Fund managed by SQN should consult with an investment professional to determine suitability.

SQN provides its investment management services to institutional and insurance company clients. SQN only manages the assets which are the subject of its management agreement and does not consider the client’s other assets and other obligations (subject to “Additional Services” described below). SQN receives authority to supervise and direct the investment of the assets on a discretionary or non-discretionary basis in accordance with the clients’ written objectives and limitations as outlined in each individual client’s Investment Management Agreement. Clients

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may impose restrictions or limitations on investing in specific securities, specific types of securities, or specific strategies.

Equipment Lease and Asset-based Strategies:

SQN's equipment lease and asset-based investment strategy involves making direct investments in assets and equipment subject to lease or other financing arrangement and making investments in equity, debt, or debt-like instruments that are secured by equipment and/or assets, including revenue streams. The SQN strategy generally focuses on equipment and assets with the following characteristics; although not all investments meet all of the below criteria, as each investment is individually underwritten and takes additional factors into consideration:

- Assets and/or equipment that are considered business-essential
- Revenue-producing or cost-saving equipment and/or assets
- Assets and/or equipment with substantial economic life relative to the investment term
- Assets and/or equipment with associated revenue streams
- Assets and/or equipment with high in-place value
- Asset-intensive project financings
- Wholesale lending arrangements for secured portfolios
- Debt instruments backed by portfolios of financial assets including, but not limited to, equipment leases and secured loans

Consulting Services

SQN also provides advice for a consulting fee to insurance companies and other institutional clients both affiliated and non-affiliated, including, without limitation, advice on matters such as overall asset allocation and/or portfolio optimization.

SQN also provides flat-fee consulting services ("Flat Fee-based Consulting") to clients including, without limitation, providing advice on matters related to financing arrangements, financial modeling, and documentation.

SQN provides a copy of ADV Part 2 to every client and a copy will be provided to any prospective client upon request. SQN charges fees for its services and all fees are negotiable. Several factors contribute to the amount of the fee charged such as the size of the account and the type of assets managed.

As of the date of this brochure, SQN managed assets with discretionary authority in the amount of approximately \$918,714,508 and with non-discretionary authority in an amount of approximately \$282,831,681.

SQN is majority-owned by SQN Capital Partners, LLC, a Delaware limited liability company. Jeremiah Silkowski is the controlling shareholder of SQN Capital Partners, LLC. Jeremiah Silkowski and Neil Roberts are the only two individuals with more than a 25% interest in SQN.

Item 5 – Fees and Compensation

All fees are subject to negotiation. Among other things, certain factors we consider are the size of the account, the type of assets managed and the nature of the services provided. Fees and compensation may be comprised of investment advisory fees, management fees, and performance fees. The manner in which fees are charged by SQN are set forth in each of the Fund's or separate accounts respective Investment Management Agreement. SQN's fees are payable in advance for fund management for US-based funds and in arrears for non-US funds and institutional separate accounts, each generally on a monthly basis. Performance and/or incentive fee payment schedules vary in accordance with the respective Investment Management Agreements.

For Fund Management, SQN charges a fee for investment advice and portfolio management. Generally, fees on an annual basis range from 0.625% to 3.00% per year depending on various factors.

Management fees compensate for management activities, including:

- acquiring portfolios;
- originating and servicing leases and other assets;
- collecting receivables;
- monitoring compliance with the terms of the investments;
- arranging for necessary maintenance and repair of assets;
- monitoring tax compliance;
- remarketing assets;
- preparing financial data from operations; and
- regulatory reporting and filing.

For Separate Institutional Accounts, all investment management fees charged by SQN are negotiated and specified in a client's Investment Management Agreement. These fees are generally charged directly to the client on a monthly basis. Fees are payable quarterly or monthly in arrears upon receipt of an invoice based on the average principal amount of the assets through the billing cycle. Management fees are prorated for each capital contribution and withdrawal made during the applicable billing period (with the exception of contributions and withdrawals made in the ordinary course of business, such as fees and expenses). Accounts initiated or terminated during a billing period will be charged a prorated fee.

The fees charged for separately managed accounts are subject to negotiation and are based on the average principal amount of the assets and on the size of the account and strategy selected.

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Fixed Income Services and Fees:

Annual fees are based on fee schedules, the components of, which are generally within the range of 25 basis points to 100 basis points for institutional clients. SQN may seek a minimum dollar fee or a minimum mandate size.

Incentive-Based Fees:

For certain types of clients and mandates, fees may be calculated based on the income and capital appreciation of the account. Such an incentive-based fee will not be calculated on less than a quarterly basis. Fees are generally a negotiated combination of fixed-income services fees and incentive fees and are billed periodically in arrears. Accounts of this type are accepted only if all conditions of Rule 205-3 of the Investment Advisors Act of 1940 are met. Incentive-based fees will only be offered to clients who have a least \$1,000,000 of assets under management or who have a minimum net worth of \$2,000,000.

Consulting Services Fees:

Custom strategic plans and similar work product are produced on a negotiated contracted fee basis and are typically quoted on a flat-fee per project basis. Fees for these projects are negotiated on an individual basis and payable either in installments or upon completion of the project.

Unrelated to the fees paid to SQN with respect to the investment advisory services to clients that are funds, the Funds may pay other fees to SQN or other third parties for services rendered in connection with each Fund's respective offering and operation, without limitation, attorney's fees, organizational and offering expenses allowances, lease and/or asset finance structuring fees, distribution expenses, reimbursement of operating and acquisition expenses, servicing fees, asset management fees, remarketing fees, appraisal fees, disposition fees, accounting and auditing fees, recording fees and registration fees. A more detailed description of such fees may be found in each Fund's respective private offering memorandum or prospectus.

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

Performance Fees are based on actual cash based returns as calculated in accordance with each investment management agreement.

SQN may receive a promotional interest for managing a Fund, generally equal to 1% of all cash distributions made by the Fund.

For institutional separate accounts, SQN accepts performance-based fees from clients. Such performance-based fees are calculated based on a share of income, capital gains or capital

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appreciation of the assets of the client in accordance with the Investment Management Agreement.

Clients should be aware that performance-based fee arrangements may create an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as SQN also has clients who do not pay performance-based fees, we may have an incentive to favor accounts that do pay such fees because the compensation we receive from these clients is more directly tied to the performance of their accounts.

SQN addresses such conflicts by ensuring that all clients receive fair and equitable transactions in accordance with their respective objectives.

For certain clients that are exempt from the compensation prohibition of section 205(a)(1) of the Investment Advisers Act of 1940, SQN may charge a performance fee. SQN may receive a fee based on the total return achieved by fund participants. Once a Fund's return threshold to the fund participants is achieved, SQN's share of cash distributions may increase. This means that after a Fund participant has received total distributions equal to that Fund participant's capital contribution plus an annual return specified in the Fund's offering document, the percentage of future distributions paid by the Fund to SQN may increase.

Item 7 – Types of Clients

SQN provides investment advisory and management services to alternative investment funds as well as to separate managed accounts for institutions.

Although SQN reserves the right to waive a minimum investment amount based on certain criteria, for fund management, SQN requires a minimum initial investment of \$1,000,000 for fund management services.

For separate account management, SQN also provides fixed income investment services for institutional third party clients. Our client base includes various insurance companies, either directly or as a sub-advisor to other investment advisors. Regardless of client type, SQN may seek a minimum dollar fee or a minimum mandate size.

SQN's Flat Fee-based Consulting clients tend to be smaller entities with between \$2.5-25 million in total assets.

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

Methods of Analysis

For Equipment Leasing and Asset Based Strategies:

Originating an investment involves, among other things: identifying a lessee or other end-user; inspecting the equipment or other asset; undertaking a business, credit, and industry review; projecting the residual value of the equipment or other asset; pricing the investment; and documenting the transaction. We must have sufficient financial information on the lessee, end-user, guarantor or any other participant or counterparty to enable us to make an informed decision regarding their ability to perform their contractual obligations. We typically analyze the following information:

- audited financial statements for the last two years, if available;
- unaudited financial statements for the latest completed quarter;
- budget or forecast for the latest fiscal year;
- confirmation that current customers are current with their payments or proposals clearly demonstrating how arrearages will be made current;
- details of current levels of exposure within existing transactions aggregated with the new proposal; and
- details of existing credit facilities, the remaining availability and any financial covenants affecting the counterparty, lessee, end-user, guarantor, or other parties.

Additional information may be analyzed, when relevant, to assist in our assessment of the potential creditworthiness of a lessee or other counterparty including:

- its organizational structure;
- its management structure and an overview of the experience of the key members of the management team;
- its current business plan;
- its marketing plan and any intelligence on its market share, market penetration and major competitors;
- an analysis of its strengths, weaknesses, opportunities, and threats;
- an overview of its customer base; and
- details of any recent press or internet coverage.

Valuation Policy

Each portfolio will be valued at least annually in accordance with the specific requirements of the respective offering materials, operating jurisdiction, and relevant regulations governing each particular investment vehicle or account.

The primary valuation method used will be discounted cash flows for equipment leases and loans with regular or predictable income streams. Discount rates will be market appropriate as determined by SQN Capital Management, LLC and supported by verifiable third-party data. Where appropriate, third-party appraisals or valuations may be utilized for purposes of valuation or as part of the valuation process. Indexing may be used for certain difficult to value assets as long as the base valuation, off which any adjustments are made, is derived from bona fide third-party valuations that are not more than two years old.

Unless otherwise disclosed, the valuation method used for each vehicle or account will be consistently applied period to period.

Third-party data used to support valuations will be retained and, when appropriate or required, valuations will be subject to a reasonableness by an independent third-party.

Investment Strategies

The goal is to build a portfolio of investments comprised of a mix of single investor, leveraged leases, and other asset based financings to provide steady cash flow that can support a regular cash dividend, allow for portfolio compounding, and also generate attractive total returns.

The following strategies are employed to achieve the goal:

- Invest in business-essential, revenue-producing assets which, historically, have had high in-place value and relatively long economic life;
- Target assets with multiple and varied industry applications and with active secondary markets;
- Take ownership of the underlying asset(s) providing collateralization and, in some cases, corresponding tax benefits;
- Focus on asset and well as credit underwriting ; and
- Structure transactions with multiple levels of security and exit strategies.

Many of our recommended investments will be structured as full payout or operating equipment leases. In addition, we may advise investing by way of participation agreements and residual sharing agreements where clients would acquire an interest in a pool of equipment or other assets,

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or rights to that equipment or other assets, at a future date. We also may recommend investments as project financings that are secured by, among other things, essential use equipment and/or assets. Finally, we may suggest investment structures that we believe will provide you the appropriate level of security, collateralization, and flexibility to optimize your return on investment while protecting against downside risk. In most cases, the structure will include you holding title to or a priority position in the equipment or other asset.

We focus on investments in business-essential, revenue-producing equipment and other assets with high in-place value and long economic life (relative to the investment term). We target investments (i) originated and warehoused by certain affiliates; (ii) originated directly by us; or (iii) originated from brokers or other leasing/investment companies or banks.

We concentrate on transaction sizes below \$25.0 million with a maximum equity investment dependent on the size of the offering and the program's investment objectives. By doing so, we operate in areas with limited competition so that we may be selective in our investments. We focus on investments in specific industries and asset types where our members and officers have extensive expertise and have a deep and well developed sales and remarketing network. We focus on identifying equipment and other assets that are considered essential use or core to a business or operation in the agricultural, energy, environmental, medical, manufacturing, technology, and transportation industries. We also may identify other assets or industries that meet our investment objectives.

We invest globally with a focus on the United States and Western Europe.

Risk Management

Credit Risk: The failure of a lessee to make lease payments or risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the value of the investment to decline. Counterparties with debt securities rated below investment-grade (or unrated) are especially susceptible to this risk. SQN looks to source investments that can provide various credit and structural enhancements to attempt to mitigate credit exposure to any single company or asset class.

Sector Risk: The value of investments focused in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact as compared to an account that does not have its holdings similarly concentrated.

Interest Rate Risk: The value of fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing instruments, and rising interest rates generally decrease the value of existing instruments. Changes

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in value usually will not affect the amount of interest income, but will affect the value of the investment. Interest rate risk is generally greater for investments with longer maturities.

Certain fixed income securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. The market prices of these securities may fluctuate significantly when interest rates change.

Structured Risk: These types of securities share many of the same risks. The impairment of the value of collateral or other assets underlying an asset-backed security, such as that resulting from non-payment of loans, may result in a reduction in the value of such security and losses. Early payoffs in the loans underlying such securities may result in receiving less income than originally anticipated. SQN's strategies involve investing in securities with structural risk related to underlying collateral, amortization, diversion triggers and prioritization of losses and related cash flows.

Foreign Investing Risk: Investment in asset and equipment outside of the United States and investing in instruments of non-U.S. companies involves special risks and considerations not typically associated with investing within the United States. Laws in other countries may not provide the same rights and remedies for asset and equipment financiers and it may be difficult to recover collateral in a foreign market in the event of a default. The values of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions, or where the securities are traded. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

Emerging Market Risk: The risks of foreign investments are generally greater in countries whose markets are still developing than they are in more developed markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable than those of more developed countries. Investments in emerging markets may be considered speculative.

SQN will make investments in non-USD investments and where the assets are located outside the US, if in accordance with a client's investment guidelines. SQN typically focuses on investments in the UK, Western Europe, Australia, and other developed economies, and expects to have limited investment activity in emerging markets. SQN may periodically buy or sell forwards, futures, options or other instruments to hedge non-USD exposure, as long as consistent with the client investment guidelines.

Derivatives

SQN may periodically buy or sell forwards, futures, options or other derivative instruments as long as they are consistent with the client investment guidelines.

Risk of Loss

All investments involve a degree of risk including, without limitation, loss of investment and illiquidity that clients should be prepared to bear. Clients should consider the following risk factors before entering into an Investment Management Agreement and authorizing discretionary authority.

Default, Ownership: Leases are generally structured as triple net “hell or high water” leases, under which the end user is responsible for all costs associated with using and maintaining the asset including, without limitation, payment of all taxes levied on the assets, insurance and necessary repairs. However, in the event of default, the investor becomes the title owner of the asset and therefore is responsible for the payment of all costs incident to ownership.

Illiquidity, Investing in Business-Essential Assets Subject to Lease: Investing in business-essential assets subject to lease usually requires holding the investments for the lease term. Even after this lease has ended, there can be no assurance that the investment can be liquidated in a timely fashion. Supply and demand may impact the ability to sell the assets in the open market as well as the amount of sale proceeds that may be received.

Conflicts of Interest: Since we manage multiple funds, there are conflicts associated with allocating investment opportunities.

Lack of Diversification: Although the maximum investment in one asset is limited to a certain percentage of Fund size, there is no limit on investment by industry or sector. Uncertainties associated with the equipment leasing and financing industries may have an adverse effect on your investment.

Leverage: Fluctuations in prevailing interest rates will affect your investment because the cost of capital as reflected in interest rates is a significant factor in determining the market rate for leases. Higher interest rates will reduce the yield on leveraged transactions and limit the number of potential transactions due to a corresponding reduction in the value of fixed rate leases and secured financing.

Residual Value: We cannot assure you that our value assumptions will be accurate or that the equipment or other assets will not lose value more rapidly than anticipated. Residual values depend on numerous factor that are beyond our control, including: the desire of the lessee or end-user to keep to the equipment; cost of comparable equipment; condition of the equipment; development of new technologies making the equipment obsolete; and secondary market supply and demand.

Item 9 – Disciplinary Information

There are no pending criminal or regulatory proceedings and no civil claims with merit against SQN or its management. Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SQN or impact the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Except as disclosed below, SQN does not have any other financial industry activities or affiliations.

SQN's only clients are the Funds which include pooled investment vehicles such as private placements and direct participation programs as well as institutional accounts or insurance companies.

SQN may recommend broker dealers or investment advisors to its clients where SQN receives compensation directly or indirectly.

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

A copy of SQN's Code of Ethics will be provided to any client upon request.

SQN's Code of Ethics sets forth standards of conduct expected from advisory personnel, addresses conflicts that arise from personal trading by advisory personnel and requires compliance with Federal securities laws. The Code of Ethics addresses conflicts of interest, personal trading, gifts and the prohibition of using non-public material information for personal gain.

Advisory personnel are required to report all personal securities transactions and receive approval prior to purchasing a security on SQN's restricted list.

Item 12 – Brokerage Practices

In the absence of specific written instructions in a client's investment management agreement, SQN has discretion in selecting brokers for client transactions though SQN's current business does not include the use of brokers with the exception of market maker for the publicly traded vehicles. When applicable, SQN seeks best execution at the best price available for each trade. SQN also takes into consideration several factors, such as:

- the broker's ability to execute the trade;

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- the size of the trade;
- characteristics of the security;
- the quality and reliability of brokerage services; and
- the overall direct net economic results to the account.

SQN may also consider the availability of the broker to stand ready to execute transactions in the future, and the financial strength and stability of the broker. SQN currently does not participate in soft dollar arrangements. SQN does not receive client referrals from any broker.

When applicable, SQN aggregates orders, when possible in accordance with client guidelines, for the purchase or sale of the same security for all participating accounts. When an order is filled in its entirety, each participating account receives their full allocation at the agreed upon trade execution price. When an order is partially filled, each participating account receives a pro rata allocation, at the agreed upon trade execution price, subject to certain exceptions including de minimis orders. Transaction costs are shared on a pro rata basis for all participating accounts. To date, SQN has not engaged in any activity related covered by these provisions.

SEC Rule 206(3)-2 of the Investment Advisers Act of 1940 allows an investment adviser, under certain circumstances, to engage in inter-account transactions. If one client of an investment adviser is looking to sell a security in its portfolio and another client of the same investment adviser is looking to purchase that security, this rule permits the investment adviser to do a cross trade between the two accounts. The buy/sale must be at fair market value and with no commissions. SQN will only engage in these cross trades when advantageous to both clients and with prior approval from the Chief Compliance Officer. Cross transactions will not be conducted through an affiliated broker-dealer.

SQN may accept direction from clients regarding which brokers to use. Currently, all client directed brokerage is subject to most favorable execution and best execution.

SQN may direct the purchase of securities on behalf of clients, in secondary market transactions, in public offerings directly from an underwriter, or in privately negotiated transactions with an issuer. Securities purchased in public offerings may be resold shortly after acquisition in the immediate aftermarket to take advantage of price appreciation from the public offering price or for other reasons. Short-term trading of securities acquired in public offerings, or otherwise, may result in higher portfolio turnover.

If consistent with a client's investment objectives, investment restrictions, and risk tolerance, SQN may purchase securities sold in underwritten new issues, ("deal securities") for client accounts. Deal securities are allocated among participating accounts in a fair and equitable manner so as not to unfairly discriminate in favor of certain clients or types of accounts. When a portfolio manager receives a reduced allocation of deal securities, the portfolio manager will allocate the reduced allocation among accounts in accordance with the allocation percentages set forth in the initial allocation instructions for the deal securities, except where this would result in de minimis allocation to any client account.

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SQN may give advice, or take action, with respect to any one client account which may differ from the advice given, or action taken, with respect to another client account. However, SQN, to the extent practical and over a period of time, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly-situated client accounts based on client guidelines and cash availability.

Item 13 – Review of Accounts

Clients' accounts are reviewed quarterly. Accounts are reviewed more frequently than quarterly if there is any unusual activity or deemed necessary at SQN's discretion. Clients shall receive a quarterly statement and a quarterly portfolio evaluation.

Item 14 – Client Referrals and Other Compensation

SQN may pay for referrals other than those associated with SQN group of companies.

Item 15 – Custody

SQN shall comply with Rule 206(4)-2 of The Investment Adviser's Act of 1940 with regard to the custody of client's assets. SQN does not custody securities for any of its clients. A client should enlist a qualified custodian if they require custodial services.

SQN may have authority to obtain possession of a client's funds deposited at the client's banking institution. SEC rules exempt SQN from certain requirements under Rule 206(4)-2 because the Funds are audited annually, and SQN distributes audited financial statements that are prepared in accordance with GAAP to all limited partners and members of the Funds within 120 days of the end of each Fund's fiscal year.

Item 16 – Investment Discretion

SQN manages accounts on a discretionary basis. Other than the parameters set forth in each of the Fund's or separate account respective Investment Management Agreements, there are no limitations on SQN's investment discretion. This means that each Fund has authorized SQN in advance to purchase and sell assets in accordance with the Fund's or separate accounts investment objectives.

Item 17 – Voting Client Securities

SQN does not purchase any publicly traded securities for its clients and therefore voting rights associated with publicly traded securities are not applicable.

Item 18 – Financial Information

SQN has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients, and SQN has not sought bankruptcy protection.

Item 19 – Requirements for State-Registered Advisers

SQN is a federal registered adviser.