



PSC Capital Partners LLC

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Form ADV Part 2A – Disclosure Brochure

Merchant Banking Strategy

March 29, 2023

This Brochure provides information about the qualifications and business practices of PSC Capital Partners LLC (“PSCCP”). If you have any questions about the contents of this Brochure, please contact us at 612-303-6000. 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.

PSCCP is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about PSCCP also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section is intended to identify only specific material changes made to the Brochure and provide clients with a summary of changes made subsequent to the date of the last update.

The following is a summary of the material changes to this brochure since PSCCP's last filing dated March 30, 2022:

- In December 2022, PSCCP conducted the initial closings on two new funds, Piper Sandler Merchant Banking Fund III, L.P., and Piper Sandler Merchant Banking Fund III Employee, L.P.

A new Brochure will be provided and/or made available to you as necessary based on changes or new information, without charge.

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Item 4 – Advisory Business

This disclosure document deals solely with the Piper Sandler Merchant Banking Strategy (the “Merchant Banking Strategy”). This document provides information about PSC Capital Partners LLC (“PSCCP”) and its Merchant Banking Strategy that should be considered when investing in the Funds (as defined below). This information has not been approved by any federal or state governmental authority.

General Information and Investment Advisory Services Relating to Merchant Banking Strategy

PSCCP is a Delaware limited liability company that was organized in 2012 and is wholly owned by Piper Sandler Investment Group Inc., a direct holding company subsidiary of Piper Sandler Companies (together, with its affiliates, “Piper Sandler”), a public company listed on the New York Stock Exchange (symbol: PIPR). Piper Sandler’s current merchant banking investment strategy was established in 2008.

PSCCP’s advisory services are limited to the Merchant Banking Strategy, which is principally focused on providing investment advisory services to one or more pooled investment vehicles that are offered to investors via private placements. More specifically, the Merchant Banking Strategy makes investments that take the form of growth investments, bridge commitments, recapitalizations, secondary stock purchases, private investments in public equity, change of control transactions, leveraged buyouts and other related transactions in late stage companies with a plan towards liquidity. Currently, PSCCP provides investment advisory services to Piper Sandler Merchant Banking Fund I, L.P. (“Fund I”), Piper Sandler Merchant Banking Fund II, L.P. (“Fund II”), Piper Sandler Merchant Banking Fund III, L.P. (“Fund III”), Piper Sandler Merchant Banking Fund III Employee, L.P. (“Fund III Employee”), PJC Merchant Banking Partners III, LLC (“Partners III”) and PJC Merchant Banking Partners IV, LLC (“Partners IV”), (collectively, the “Funds”). Fund I, Fund II and Fund III are the primary investment vehicles for the Merchant Banking Strategy. Fund I was limited to investors that qualify as “Qualified Purchasers” within the meaning of the Investment Company Act. Fund II was limited to investors that qualify as “accredited investors” within the meaning of Regulation D promulgated under the Securities Act of 1933. It is anticipated that Fund III will be limited to Qualified Purchasers. Fund I closed with investors in August 2012. Fund II closed with investors in September 2018. Fund III is in the capital raising phase, and an initial closing occurred in December 2022. Partners III, Partners IV and Fund III Employee are limited to employees of Piper Sandler and its affiliates who qualify as “accredited investors” within the meaning of Rule 501 of Regulation D, as amended. Partners III closed with investors in March 2012. Partners IV closed with investors in April 2014. Fund III Employee is in the capital raising phase, and an initial closing occurred in December 2022.

PSCCP serves as investment adviser to the Funds. PSC Capital Management LLC, PSC Capital Management II LLC and PSC Capital Management III LLC (hereafter the “General Partners”), are affiliates of PSCCP and serve as the General Partners for Fund I, Fund II, Fund III and Fund III Employee. PSC Capital Management LLC also serves as the Manager of Partners III and Partners IV. References to PSCCP in this Brochure include, as the context requires, affiliates through which PSCCP provides investment advisory services or that act in any capacity referenced in the previous sentence.

PSCCP tailors its advisory services to the specific investment objectives and restrictions of each Fund set forth in such Fund's limited partnership agreement or operating agreement and investment management agreement. Investors and prospective investors of each Fund should refer to the confidential private placement memorandum, limited partnership agreement or operating agreement, subscription agreement, investment management agreement and/or other governing documents (collectively, the "Governing Documents") of the applicable Fund for complete information on the investment objectives and investment restrictions with respect to such Fund. There is no assurance that any Fund's investment objectives will be achieved.

The General Partners of Fund I, Fund II, Fund III and Fund III Employee and Manager of Partners III and Partners IV are Delaware limited liability companies and PSCCP related persons. The General Partners have delegated investment authority to PSCCP, but retain day-to-day oversight functions with respect to the investment program of the Funds. The General Partners could receive a portion of distributions attributable to portfolio investments which are referred to as carried interest distributions. Please refer to Item 6 below and the Governing Documents of Fund I, Fund II and Fund III for more complete information on the General Partners.

In accordance with common industry practice, Fund I, Fund II, Fund III, Fund III Employee or PSCCP may enter into "side letters" or similar agreements with certain investors pursuant to which Fund I, Fund II, Fund III, Fund III Employee or PSCCP grants the investor specific rights, benefits or privileges that are not made available to investors generally.

Assets Under Management

PSCCP manages all client assets on a discretionary basis in accordance with the terms of each client's governing documents. As of December 31, 2022, the Funds collectively had \$328,757,364 in client assets under management.

Item 5 – Fees and Compensation

All investors and prospective investors of Fund I, Fund II, Fund III or Fund III Employee should review the Governing Documents in conjunction with this Brochure for complete information on the fees and compensation payable in connection with an investment in Fund I, Fund II, Fund III or Fund III Employee. Investors and prospective investors in Fund I, Fund II, Fund III or Fund III Employee should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

There are no management or performance fees charged to investors in Partners III and Partners IV. With respect to Fund I, as described in Fund I's Governing Documents, PSCCP or an affiliate thereof receives an annual management fee generally equal to 2% per annum of each investor's (i) capital commitment during the investment period, and (ii) share of "Actively Invested Capital" following the end of the investment period. A Fund I investor's share of "Actively Invested Capital" generally is based on the aggregate cost basis of all investments made by Fund I (excluding investments written off as worthless).

In addition, after all investors have received aggregate distributions in an amount equal to their aggregate capital contributions, plus an 8% preferred return, subject to certain adjustments, such investors will receive 80% of the net realized profits attributable to each Fund I portfolio investment and an affiliate of PSCCP will receive 20% of the net realized profits so attributable.

With respect to Fund II, as described in Fund II's Governing Documents, PSCCP or an affiliate thereof receives an annual management fee equal to: (i) during the period from the Initial Closing to the earlier of (a) the expiration of the Commitment Period or (b) the date when 85% of Capital Commitments have been invested or expended, 2% of such Limited Partner's Capital Commitment, and (ii) thereafter, 2% of such Limited Partner's Actively Invested Capital.

A Limited Partner's "Actively Invested Capital" will be equal to the aggregate outstanding amount with respect to such Limited Partner that is invested, valued at cost, in Portfolio Investments, Bridge Financings and Temporary Investments, reduced by the amount of any write-offs.

Subject to tax distributions, distributions will initially be apportioned among the partners in proportion to their respective capital contributions. The amount so apportioned to the General Partner will be distributed to the General Partner, and the amount so apportioned to each Limited Partner will be distributed to each such Limited Partner and the General Partner as follows:

First, 100 percent to such Limited Partner until it has received distributions equal to its capital contribution;

Second, 100 percent to such Limited Partner in an amount equal to a return of 8 percent on its unreturned capital contribution (the "Preferred Return");

Third, 100 percent to the General Partner, until the General Partner has received in respect of such Limited Partner an amount equal to 20 percent of the total amounts distributed pursuant to paragraph *Second* and this paragraph *Third*, respectively; and

Fourth, 80 percent to the Limited Partners in proportion to their capital contributions and 20 percent to the General Partner (distributions to the General Partner pursuant to paragraph *Third* and this paragraph *Fourth*, the "Carried Interest Distributions").

With respect to Fund III, as described in Fund III's Governing Documents, PSCCP or an affiliate thereof receives an annual management fee equal to: (i) during the period from the Initial Closing to the earlier of (a) the expiration of the Commitment Period or (b) the date when 85% of Capital Commitments have been invested or expended, 2% of such Limited Partner's Capital Commitment, and (ii) thereafter, 2% of such Limited Partner's Actively Invested Capital.

A Limited Partner's "Actively Invested Capital" will be equal to the aggregate outstanding amount with respect to such Limited Partner that is invested, valued at cost, in Portfolio Investments, Bridge

Financings and Temporary Investments, reduced by the amount of any write-offs.

Subject to tax distributions, distributions will initially be apportioned among the partners in proportion to their respective capital contributions. The amount so apportioned to the General Partner will be distributed to the General Partner, and the amount so apportioned to each Limited Partner will be distributed to each such Limited Partner and the General Partner as follows:

First, 100 percent to such Limited Partner until it has received distributions equal to its capital contribution;

Second, 100 percent to such Limited Partner in an amount equal to a return of 8 percent on its unreturned capital contribution (the “Preferred Return”);

Third, 100 percent to the General Partner, until the General Partner has received in respect of such Limited Partner an amount equal to 20 percent of the total amounts distributed pursuant to paragraph *Second* and this paragraph *Third*, respectively; and

Fourth, 80 percent to the Limited Partners in proportion to their capital contributions and 20 percent to the General Partner (distributions to the General Partner pursuant to paragraph *Third* and this paragraph *Fourth*, the “Carried Interest Distributions”).

The terms of Fund III and Fund III Employee are generally the same except that the Limited Partners of Fund III Employee are not subject to Carried Interest Distributions. In addition, such Limited Partners do not bear Management Fees in respect of their investment for so long as they (or, in the case of entity investors, their affiliates) remain employees of the Manager, Piper Sandler and their respective affiliates.

Management Fees payable by investors in Fund I, Fund II or Fund III may, in certain circumstances, be negotiated. Some investors may pay higher or lower management fees with respect to their investment in Fund I, Fund II or Fund III, depending on various considerations, including but not limited to:

- The size of the investor’s capital commitment to Fund I, Fund II or Fund III;
- The amount of time the investor has invested in one or more strategies offered by PSCCP;
- The total amount of the investor’s assets under management with PSCCP.

Deduction of Fees; Timing of Payments; Termination

As a general matter, PSCCP will charge and deduct advisory fees directly from Fund I, Fund II, Fund III or Fund III Employee pursuant to the terms of the separate Fund Governing Documents. Such advisory fees will take the form of, and be limited to, the management fee described above.

Payments of advisory fees are generally made quarterly in advance and in accordance with the terms of Fund I, Fund II, Fund III or Fund III Employee’s Governing Documents. Please refer to the separate Fund Governing Documents for complete information on the timing of advisory fee payments.

Upon termination of an investment management agreement with respect to Fund I, Fund II or Fund III, any prepaid, unearned fees will be promptly refunded to Fund I, Fund II or Fund III (determined on a pro rata basis based on the number of days elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable by Fund I, Fund II or Fund III.

Other Fees and Expenses

In addition to the fees payable to PSCCP and its affiliated entities, each Fund (and therefore, indirectly, the investors in each such Fund) can incur certain charges imposed by third parties and other expenses as set forth in the Governing Documents attributable to such Fund. Such expenses would include (but are not limited to): legal, auditing, accounting and custodian fees and expenses; expenses associated with the applicable Fund's financial statements, tax returns and Schedules K-1; expenses related to annual meetings of the Fund's investors (if any); expenses of the Fund's advisory committee attributable to the Fund; consulting; insurance; other expenses associated with the sourcing, holding and disposition of Fund investments, including the costs of unconsummated investments and extraordinary expenses (such as litigation, if any); any taxes, fees or other governmental charges levied against the Fund and travel (to the extent related to the investigation of identified companies in connection with investment or potential investment transactions or monitoring of portfolio companies (to the extent not reimbursed)) and other similar fees and expenses.

The types of such other fees and expenses incurred would vary from Fund to Fund. All investors and prospective investors should review the Governing Documents of the applicable Fund in conjunction with this Brochure for complete information on the charges and expenses payable with respect to a particular Fund.

Item 12 of this Brochure describes the factors PSCCP considers in selecting or recommending broker-dealers on behalf of the Funds and determining the reasonableness of their compensation.

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

Fund I, Fund II and Fund III are subject to performance-based compensation arrangements. PSCCP will typically receive certain allocations calculated and charged based on a share of capital gains on or capital appreciation of the assets of Fund I, Fund II or Fund III. Such "carried interest" allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the "Advisers Act") to the extent required by the Advisers Act. Any share of profits allocated or distributed to PSCCP or an affiliate of Fund I, Fund II or Fund III is separate and distinct from the advisory fees charged by PSCCP to Fund I, Fund II or Fund III for investment advisory services.

Performance-based fee arrangements with respect to Fund I, Fund II or Fund III create an incentive for PSCCP to recommend investments to Fund I, Fund II or Fund III which is riskier or more speculative than those which would be recommended under a different fee arrangement. Please refer to the Governing

Documents of Fund I, Fund II or Fund III for complete information on the specific performance-based fee arrangements of Fund I, Fund II or Fund III.

Partners III and Partners IV are employee funds that invest additional amounts alongside Fund I. Fund III Employee is an employee fund that invests additional amounts alongside Fund III. As a general matter, Partners III, Partners IV and Fund III Employee will receive a consistent allocation of the same investments made by Fund I or Fund III, as applicable, based on a sharing percentage which is determined at the date of the employee fund's initial closing and therefore mitigates any conflict of interest that PSCCP have as between Fund I or Fund III on the one hand, and Partners III and Partners IV or Fund III Employee on the other, with respect to allocation of investments. See the Governing Documents for Partners III, Partners IV and Fund III Employee. PSCCP has adopted written allocation policies and procedures for the Funds that it manages.

Item 7 – Types of Clients

PSCCP provides Merchant Banking Strategy-related investment advice solely to the Funds, which are pooled investment vehicles generally offered to accredited investors and/or qualified purchasers pursuant to Section 3(c)(1) or 3(c)(7) of the Company Act. As a result, the Funds are not required to register as investment companies under the Company Act in reliance upon the exemptions available to the Funds pursuant to Section 3(c)(1) or 3(c)(7) of the Company Act. Investors in the Funds include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts, estates and public and private pension and profit sharing plans.

PSCCP and/or its affiliates may establish certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, "AIVs") for the purpose of addressing tax, regulatory and/or structural issues and/or facilitating certain investments by one or more Funds and/or investors. Prospective investors should refer to the Governing Documents of the applicable Fund for complete details on any AIV that may be established by such Fund and such Fund's ability to make investments through AIVs.

In general, the minimum investment commitment required of an investor to participate in Fund I was \$3,000,000, and for non-employee investors in Fund II it was \$1,000,000. It is anticipated that the minimum investment commitment for non-employee investors in Fund III will be \$1,000,000. The minimum investment commitment for employee investors to participate in Partners III and Partners IV was \$100,000. The minimum investment commitment for employee investors to participate in Fund II and Fund III Employee was \$250,000. Notwithstanding the foregoing, PSCCP and/or the General Partner of each Fund has discretion to increase or reduce the minimum investment commitment.

Investors are requested to refer to the Governing Documents of each Fund for complete information on minimum investment requirements for participation in a particular Fund.

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

Methods of Analysis

The Merchant Banking Strategy is to identify attractive investments in industry verticals where Piper Sandler has domain expertise. Consistent with Piper Sandler Merchant Banking's historical approach, the criteria that PSCCP will use when it selects a portfolio company as a target investment include one or more of the following characteristics:

- Strong and dedicated management capable of achieving business model and strategic objectives;
- Significant long-term growth potential from core operations and strategic activity;
- Reasonable valuation and preferred security structure;
- Proprietary technology, products or services;
- Critical mass in terms of revenues and strong gross margins sufficient to drive profitability and cash flow in the near future;
- Sufficient barriers to entry to fend off better capitalized competitors;
- Meaningful equity ownership to be held by management;
- Established private equity investors with meaningful existing ownership positions;
- Viable opportunity to realize an exit in either the public market or through a strategic sale; and
- Ability to realize valuation multiple expansion upon exit.

Investment Strategies

The Merchant Banking Strategy seeks to generate significant long-term capital appreciation primarily through equity and equity-related investments in companies in a variety of transactions, including growth investments, bridge commitments, recapitalizations, secondary stock purchases, private investments in public equity, change of control transactions, leveraged buyouts and other related transactions. The primary focus of the Merchant Banking Strategy is to make minority investments in portfolio companies but the Merchant Banking Strategy may also make investments with a controlling equity interest in portfolio companies, and may also make debt and debt-related investments.

When identifying prospective Fund investments, PSCCP expects to primarily leverage the various investment bankers that operate on the Piper Sandler platform. The Merchant Banking Strategy, however, is not limited to investing in portfolio companies sourced from Piper Sandler investment banking. PSCCP may also utilize sources outside of the Piper Sandler network.

As part of the due diligence and investment process for selecting portfolio company investments for the Funds, PSCCP's merchant banking team will generally work closely with the relevant Piper Sandler investment bankers and research analysts with respect to investment opportunities. Consistent with the methods of analysis highlighted above, PSCCP's merchant banking team conducts a due diligence investigation of the prospective portfolio company's historical and projected performance, management backgrounds and capabilities and other industry and company specific factors in order to assess the prospective portfolio company's relative strengths and weaknesses and arrive at a preliminary valuation

of the company. Once its analysis and due diligence is completed and PSCCP determines preliminarily that it wants to proceed with an investment, PSCCP will present the company with a term sheet outlining the terms on which it is willing to invest in the company. Such terms will include not only price and valuation but also the structure of the security in which it proposes to invest. PSCCP would then engage in negotiation of its term sheet with the company.

Material Risks Associated with the Merchant Banking Strategy

Nature of the Funds' Investments, Business and Market Risk

A substantial portion of the Funds' investments will be in private equity or private equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that would result in substantial losses. There can be no assurance that the Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments can be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, including the risk of war and the effects of terrorist attacks, would significantly affect the results of the Funds' activities. In addition, the Funds' strategy for a portfolio company may involve an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty. As a result, the Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Non-Controlling Investments

The Merchant Banking Strategy will primarily make minority equity investments in portfolio companies where it may have limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of the Funds, and the Funds may have a more limited ability to protect the value of their investments in such companies, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' investments. The Funds' control over the investment policies of these companies may also be limited.

Reliance on Portfolio Company Management

The day-to-day operations of each portfolio company in which the Funds invest will be the responsibility of such portfolio company's management team. Although the General Partners will be responsible for monitoring the performance of each Portfolio Investment, the Funds may obtain control positions in some portfolio companies and generally intend to invest in portfolio companies operated by strong management, there can be no assurance that the existing management team or any successor will be able to operate any such portfolio company in accordance with the Funds' expectations.

Uncertainty of Financial Projections

Financial and other information concerning the Funds' investments may only be available through certain sources, including the portfolio companies themselves. There may be no consistent means, however, of confirming the accuracy of such information. It may also be impractical or undesirable to carry out full

time due diligence before an investment is acquired. The portfolio companies may have little or no previous credit histories. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of portfolio company projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections.

Risks Associated with Investments in Growth-Oriented Companies

In addition to investing in established companies, the Funds may invest the majority of its assets in the securities of smaller, less established companies. The investments in such companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. In addition, such companies may not be profitable at the time of investment and may experience substantial fluctuations in their operating results. The success of such companies may also depend on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would adversely affect their businesses. Such companies may also have shorter operating histories on which the Funds may judge their future performance. In addition, such portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.

Changing Credit Markets

Any tightening of the credit markets, a decrease in the availability of financing and an increase in the interest cost for leveraged transactions would impair the Funds' ability to consummate transactions.

Market and Credit Risks of Debt Securities

Subject to applicable restrictions in the Governing Documents, the Funds may invest in debt securities. Portfolio companies with debt securities are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk.

Credit risk will change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and could be subject to downgrade, which generally results in a decline in the market value of such security. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes would affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Investments with Third Parties

The Funds are permitted to co-invest with third parties through joint ventures or other entities, including with private equity funds sponsored by others. The co-investment commitment to a portfolio company may be substantial. Such investments involve risks not present in investments where third parties are not involved, including the possibility that a co-venturer of the Funds experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of the Funds, may take a different view from the General Partners' as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to the Funds' investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of its third party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties or joint venture partners with which the Funds would co-invest may have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments would differ from the terms upon which the Funds invests in such portfolio companies.

Competition for Suitable Investments

The activity of identifying, completing and realizing attractive private equity investments in general is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The Funds may encounter competition from other similarly focused funds formed before or after the establishment of the Funds, including potentially other funds formed or sponsored by Piper Sandler. Potential competitors also include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Funds, the General Partners or their affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. There can be no assurance that the General Partners will be able to locate and consummate investments that satisfy the Funds' rate of return objectives or realize their values or that it will be able to invest fully its aggregate capital commitments. To the extent that the General Partners encounters competition for investments, returns from the Funds to investors may decrease.

Portfolio Concentration

The Funds will participate in a limited number of investments and seek to make several investments in one industry or one industry segment. Furthermore, to the extent that the capital raised for the Funds is less than the targeted amount, the Merchant Banking Strategy may invest in fewer portfolio companies and thus be less diversified. If the Funds' investments are concentrated in a few issuers or industries, any adverse change in one or more of such issuers or industries could have a material adverse effect on the Funds' investments.

Follow-On Investments

The Funds may be called upon to provide follow-on funding for their portfolio companies or have the opportunity to increase their investments in portfolio companies. There can be no assurance that the Funds will wish to make such follow-on investments or that the Funds will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on portfolio companies in need of such investments or may diminish the Funds' proportionate ownership in such portfolio companies and thus their ability to influence such portfolio companies' future development.

Bridge Loans

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans will typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities' issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Investments Longer than Term

The Funds may invest in investments that may not be advantageously disposed of prior to the date that the Funds will be wound-up and dissolved, either by expiration of the Funds' term or otherwise. Although the General Partners generally expect that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution, particularly with respect to an early dissolution of the Funds in accordance with the Governing Documents.

Risks from the Provision of Managerial Assistance

The Funds will designate directors (and non-executive chairmen) to serve on the boards of directors of the Funds' portfolio companies. A board member designated by the Funds will have fiduciary duties to persons other than the Funds. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors for breaches of fiduciary duties, securities claims and other director-related claims. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to occur, the Funds could suffer losses in their investments. While the General Partners and PSCCP intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Non-U.S. Investments

The Funds may invest in companies whose principal executive offices, corporate headquarters or activities are outside of the United States. Although the General Partners believe that investing in non-U.S.

jurisdictions offers significant potential for appreciation, prospective investors should recognize that there are risks inherent in investing in any non-U.S. jurisdiction. Risks associated with investment in any non-U.S. jurisdiction may include the following: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to foreign investors in particular; the imposition or modification of controls on foreign currency exchange, repatriation of proceeds or foreign investment; the imposition or increase of withholding or other taxes on income and gains; potential tax filing requirements in non-U.S. jurisdictions; the imposition of potentially confiscatory levels of taxation; price volatility; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; governmental influence on the national and local economies; and fluctuations in currency exchange rates. In addition, investments of the Funds in securities or obligations of non-U.S. issuers, if any, may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. The Funds will be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities. The rates of exchange between the U.S. dollar and other currencies are determined by forces of supply and demand in the foreign exchange markets. These rates are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Funds may implement.

Risks Associated with an Investment in the Funds

Lack of Operating History; Investment Performance

The Funds are being organized to make investments in portfolio companies approved by the General Partner. Although the Piper Sandler team has prior experience, both together and separately, relating to the acquisition and financing of public and private companies and in investments similar to those to be made by the Funds, the Funds have limited operating history upon which prospective investors may evaluate their likely performance.

No Assurance of Investment Return

The General Partners cannot provide assurance that it will be able to choose, make and/or realize investments in any particular company or portfolio of companies. The Funds' primary focus in making investments differs from those of other private funds that have been managed by Piper Sandler. Investors in the Funds are not acquiring an interest in Piper Sandler itself or other funds managed by Piper Sandler. The General Partners cannot assure investors that they will replicate any historical performance of any other funds, and the Funds' investment returns could be substantially lower than the returns achieved by other funds. There is no assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. The marketability and value of any such investment will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed their income. The Funds will bear the expenses of transactions that are not consummated. In addition, the Funds may enter into

agreements to consummate transactions which involve payments, such as reverse break-up fees, by the Funds in certain circumstances if the Funds do not consummate the transaction. As a result, the Funds could incur a substantial cost with no opportunity for a return. An investor could lose the entire amount of its contributed capital, and therefore an investor should only invest in the Funds if the investor can withstand a total loss of its investment.

Illiquidity of Investments

An investment in the Funds requires a long-term commitment with no certainty of return. It is unlikely there will be near-term cash flow available to the investors. Many of the Funds' investments may be illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Funds. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions. There can be no assurance that the Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. There can be no assurance that private purchasers can be found for the Funds' investments.

Dependence on Key Personnel

The Funds are highly dependent on the diligence, skill and network of business contacts of the principals of PSCCP and the information and deal flow generated by such professionals in the course of their investment and portfolio management activities. The Funds' future success will depend on the continued service of these investment professionals. The departure of one or more of the principals could have a material adverse effect on the Funds' ability to achieve their investment objectives. There can be no assurance that these professionals will continue to be associated with the General Partners, PSCCP or any of their affiliates throughout the life of the Funds. The principals and the members of the investment advisory committee may spend a substantial portion of their time on matters other than or only tangentially related to the Funds, including, without limitation, matters related to prior and/or successor investment vehicles and their underlying investments. As a result, the performance by these individuals of their obligations to such other entities could conflict with their responsibilities to the Funds.

Inability to Derive Expected Benefits of Piper Sandler Platform

The success of the Funds will be in part dependent upon the synergies that are expected to exist between the experience and capabilities of the principals of PSCCP and the effective utilization of the resources, relationships and activities inherent in Piper Sandler's global investment banking platform. There is no guarantee that such synergies will exist, be maximized or continue undiminished throughout the entire life of the Funds. In addition, there can be no guarantee that Piper Sandler investment professionals will be properly incentivized to generate investment opportunities for, or otherwise assist, the Funds to the extent anticipated.

Effect of Fees and Expenses on Returns

The Funds will pay management fees and will bear the expenses related to their operations. Such fees and expenses are expected to reduce the actual returns to investors. Most of the fees and expenses will be paid

regardless of whether the Funds produce positive investment returns. If the Merchant Banking Strategy does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by an investor to an amount less than the amount invested in the Funds by such investor.

Business, Legal and Regulatory Risks of the Funds

PSCCP is part of a larger firm with multiple business lines in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. As a result, the Funds, the General Partners, PSCCP and/or their respective affiliates are subject to a number of unusual risks, including changing laws and regulations, developing interpretations of such laws and regulations and increased scrutiny by regulators. Some of this evolution would result in scrutiny or claims against the Funds, the General Partners or PSCCP directly for actions taken or not taken by the Funds, the General Partners or PSCCP. Thus, the Funds, the General Partners, PSCCP and/or their respective affiliates face the continuing risk of pending and potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Funds, the General Partners, PSCCP or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

Past Results are Not Indicative of Future Performance

The results of earlier investments made by Piper Sandler and by investment funds formed by Piper Sandler or its affiliates are not indicative of the results that the Funds may achieve. The Funds will make investments in different portfolios of securities and, accordingly, their results are independent of the previous results obtained by Piper Sandler and those other funds. Additionally, the Funds and their method of operation will differ in several respects from prior Piper Sandler investment vehicles (e.g., there will be different fees and expenses and different rights and controls with respect to the Funds' investments).

See the private placement memoranda for Fund I, Fund II and Fund III for additional risks associated with an investment in the related Fund.

See the subscription agreements for Partners III and Partners IV for additional risks associated with an investment in either of these Funds.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PSCCP or the integrity of PSCCP's management. PSCCP and its principals have not been the subject of any material legal proceeding required to be disclosed in response to Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

As noted in Item 4 above, PSCCP is a wholly-owned indirect subsidiary of Piper Sandler Companies. Piper Sandler Companies (NYSE: PIPR) is a leading, international investment bank and asset management firm. Securities brokerage and investment banking services are offered in the United States through Piper Sandler & Co., member SIPC and FINRA; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; in Hong Kong through Piper Sandler Hong Kong Limited, authorized and regulated by the Securities and Futures Commission. Asset management products and services are offered through six separate investment advisory affiliates registered with the U.S. Securities and Exchange Commission: Piper Sandler & Co.; PSC Capital Partners LLC; Piper Sandler Advisors LLC; Piper Sandler Finance Management, LLC; and Guernsey-based Parallel General Partners Limited, authorized and regulated by the Guernsey Financial Services Commission.

Relationships with Related Persons

As discussed in Item 11 below, PSCCP and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of the General Partner of each Fund. PSCCP and its related persons may from time to time manage multiple Funds. As referenced above, PSCCP related persons engaged in the Merchant Banking Strategy are also employees of Piper Sandler & Co. (“PS&Co.”). This can create conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the relevant Fund for complete information on the requisite time commitments (if any) of PSCCP and its related persons to the Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of PSCCP’s investment allocation policy described in Item 6 above.

Related persons of PSCCP and its affiliates can serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Funds invest, or provide other services to portfolio companies, and would receive compensation in connection therewith. In connection with such activities, PSCCP related persons may be given access to confidential information relating to companies in which the Funds invest or may otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the Funds. As a result, the Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition may have an adverse effect on the Funds. The above individuals may spend a substantial portion of their time with these related management activities.

From time to time in the future, certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a Fund and one or more other Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital

structures or businesses of such companies or other matters affecting the investment in such companies. To the extent that multiple Funds hold an interest in the same company, disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such Funds on a basis that is fair and equitable to each Fund as determined by PSCCP taking into account all relevant facts and circumstances.

Piper Sandler may provide financing, investment banking services or other services to third parties and receive fees or commissions in connection with transactions in which those third parties have interests that conflict with those of a portfolio company of a Fund. Piper Sandler may give advice to such third parties that may cause them to take actions adverse to a Fund or its investments. Without limiting the generality of the foregoing and for example, Piper Sandler may represent a client seeking to acquire or invest in a portfolio company of a Fund. In addition, Piper Sandler may represent, or may be providing acquisition financing to, a client looking to acquire a portfolio company of a Fund or a company competing with a portfolio company of a Fund for the acquisition of another company.

There may be instances in which securities of one or more portfolio companies are or become publicly traded and Piper Sandler makes a market in such securities for its investing clients and/or engages in proprietary trading of such securities. In such instances, Piper Sandler's market making and/or proprietary trading activities will be carried out generally without reference to positions held by a Fund directly or indirectly in such portfolio companies, and may have an adverse impact on the value of the positions so held, or may result in Piper Sandler having an interest in a portfolio company adverse to that of a Fund.

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

Code of Ethics

PSCCP has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing PSCCP's commitment to ethical conduct. PSCCP's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth, among other things, PSCCP's practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations. Under PSCCP's Code of Ethics, all supervised persons have a duty to act only in the best interests of the Funds and potential conflicts and violations of the Code of Ethics must be promptly reported to PSCCP's Chief Compliance Officer ("CCO"). All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of PSCCP that no person employed by PSCCP shall prefer his or her own interest to that of a Fund or make personal investment decisions based on the investment decisions of the Funds.

To supervise compliance with its Code of Ethics, PSCCP requires that anyone associated with its advisory practices with access to advisory recommendations provide annual securities holdings reports and quarterly brokerage statements (or equivalent quarterly transaction reports) to the CCO. PSCCP requires

such “access persons” to also receive approval from Compliance prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by PSCCP’s personnel, Piper Sandler Compliance maintains and makes available a list of restricted securities. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining prior written approval.

PSCCP requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. PSCCP also has a policy prohibiting the use of material non-public information. Any individual not in observance of the above will be subject to discipline or termination.

PSCCP’s clients or prospective clients can request a copy of the firm’s Code of Ethics by contacting the Chief Compliance Officer at PSCCP, 800 Nicollet Mall, Suite 900, Minneapolis, MN 55402.

Participation or Interest in Client Transactions; Proprietary and Personal Trading

As general partners, limited partners and/or managing members of the General Partners of each of the Funds, PSCCP and its related persons have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds’ investments. Moreover, investors should anticipate that, from time to time, PSCCP and/or its related persons will, for its or their own personal accounts, buy or sell interests in the same portfolio companies recommended to, or held by, the Funds. In particular, portfolio managers of PSCCP will also manage proprietary accounts of PS&Co. that follow investment strategies substantially similar that of the Merchant Banking Strategy and, in connection therewith may buy or sell interests in portfolio companies held by the Funds or otherwise within the Merchant Banking Strategy.

PS&Co., in its capacity as a securities broker-dealer affiliated with PSCCP, is routinely engaged in various securities transactions and trading activities for various clients which could create conflicts of interest.

As a full service broker-dealer, on an ongoing basis and as permitted by applicable law, PS&Co. would when appropriate:

- Act as an investment banker to both corporate and financial sponsor clients;
- Act as a principal, buy securities from, or sell securities to other clients;
- Act as broker or agent, effect securities transactions for compensation for other clients;
- Act as a broker or agent for any person other than a client or effect transactions in which client securities are sold to or bought from a client;
- Recommend to clients that they buy or sell securities or investment products in which PS&Co. or a related person has some financial interest; or
- Buy or sell for itself securities that it also recommends to clients.

PSCCP can conduct internal cross transactions if the transactions are consistent with the investment objectives of, and in the best interest of, the clients involved. Please refer to the Fund private placement memoranda for additional information on conflicts.

In addition, in connection with selling investments by way of a public offering, Piper Sandler may act as the managing underwriter or a member of the underwriting syndicate and purchase securities from the Funds or one of their portfolio companies. Such “principal transactions” will be fully disclosed and the written consent of the appropriate Fund (which, in certain circumstances, may be provided by the Fund’s advisory committee) will be obtained prior to the consummation of each such transaction in accordance with Section 206(3) of the Advisers Act.

In the normal course of its investment banking business, Piper Sandler maintains client relationships with both corporate clients and financial sponsor clients, as well as certain individuals who may currently serve, or have in the past served, as officers and directors of corporate clients and financial sponsor clients. As a result and in furtherance of these relationships, Piper Sandler’s investment bankers may be incented to present and advocate investment opportunities to the Funds that are in the best interests of their relationships and their investment banking business, and not in the best interest of the Funds.

While PSCCP endeavors at all times to act in the best interests of the Funds, investors should be aware that the transactions described in this sub-section create a potential conflict of interest. All such transactions are subject to compliance with Piper Sandler’s internal policies and procedures as well as PSCCP’s Code of Ethics as described above and the governing documents of the applicable Funds.

Item 12 – Brokerage Practices

Each Fund invests primarily in private equity securities, although a Fund can acquire, sell or distribute debt instruments and/or publicly-traded securities on occasion (for example, where a Fund receives publicly-traded shares of a company as part of a general distribution or initial public offering or including PIPEs). Subject to the investment objectives, policies and restrictions of each Fund, as set forth in such Fund’s Governing Documents, PSCCP will generally have discretionary authority to select the broker or dealer to be used to execute transactions in securities on behalf of the Funds and negotiate the commission to be paid.

In the limited instances where PSCCP selects a broker-dealer to execute a trade, PSCCP’s primary consideration will be to obtain the most favorable net result for the Funds under the circumstances, which may not involve the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, PSCCP seeks to obtain best execution by considering factors including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the nature and quality of research provided by each broker, the broker’s execution abilities, commission rates, clearance procedures and financial responsibility and responsiveness. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers. PSCCP can, but is not required to, place

trades on behalf of a Fund through PS& Co. or other affiliated broker-dealers, subject to the best execution principles described above. In such selecting of affiliated broker-dealers, PSCCP will not consider factors that benefit PSCCP such as the referral of prospective investors and clients to PSCCP.

Research and Soft Dollar Benefits

PSCCP does not engage in soft dollar arrangements with respect to securities transactions for the Funds.

Brokerage and Client Referrals

PSCCP does not consider referrals of investors to the Funds in determining its selection of broker dealers or other third parties.

Trade Aggregation

Although the Merchant Banking Strategy does not contemplate frequent trading in public securities, in such circumstances where more than one Fund is either selling (or buying) the same security, PSCCP will combine the orders into one order and place one order with the executing broker-dealer if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Funds' Governing Documents, and otherwise in the best interest of the Funds.

Item 13 – Review of Accounts

PSCCP will continuously monitor portfolio investments on behalf of the Funds. Investments are reviewed in the context of each Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Fund.

Client Reports and Communications

Each Fund distributes quarterly and/or annual written reports to its investors, as well as annual tax information necessary for investors to complete their respective U.S. federal income tax returns. Annual reports generally contain an individual capital account statement as of the end of such fiscal year and the audited financial statements of such Fund, as applicable. To the extent that quarterly reports are distributed to investors, such interim reports generally contain unaudited financial statements for the relevant fiscal quarter.

Investors are requested to refer to the Governing Documents of each Fund for further information on the reports provided by the Fund to its investors.

Item 14 – Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

From time to time, in connection with investments made by the Funds, PSCCP or its affiliates or supervised persons can receive closing fees, commitment fees, monitoring fees, director's fees, break-up

fees, consulting fees, managing fees and/or similar fees or other remuneration from portfolio companies in which one or more of the Funds may invest or propose to invest. To mitigate potential conflicts of interest, except as noted below, PSCCP will generally offset some or all of such fees or other remuneration against management fees payable by Fund I, Fund II, Fund III or Fund III Employee or otherwise remit such fees or other remuneration to the limited partners of Fund I, Fund II, Fund III or Fund III Employee in accordance with such Fund's Governing Documents.

Notwithstanding the foregoing, as part of Piper Sandler's investment banking business, Piper Sandler can receive advisory, underwriting or other fees from or in connection with transactions for or by clients that are also portfolio investments of the Funds. The Funds would not share in these fees. Investment banking services for which advisory fees can be received by Piper Sandler include, but are not limited to, general corporate financial advice, restructuring advice and merger and acquisition representation.

Investors are requested to refer to the Governing Documents of each Fund for complete information on the additional compensation received by PSCCP or its affiliates or supervised persons in connection with a particular Fund's investments and the amount of the applicable management fee offset.

Third Party Compensation for Client Referrals

PSCCP and related persons of PSCCP can enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing investors to Fund I, Fund II or Fund III. In accordance with the terms of Fund I, Fund II and Fund III's Governing Documents, any sales charge associated therewith will ultimately be payable by PSCCP and/or its related entities, either directly or through an offset of the management fee payable by the relevant Fund to PSCCP. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

PSCCP endeavors at all times to put the interests of the Funds first as part of PSCCP's fiduciary duty. Nevertheless, the receipt of compensation by placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when referring investors to PSCCP and the Funds.

Item 15 – Custody

PSCCP will not have physical possession of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, PSCCP will generally be deemed to have constructive custody of the Fund assets of the Funds as a result of its position as an affiliate of PS&Co.

It is PSCCP's policy to have Fund I, Fund II and Fund III audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of the Funds' fiscal year. In addition, upon the final liquidation of any such Fund, PSCCP will obtain a final audit of Fund I, Fund II and Fund III and distribute audited Fund financial statements prepared in accordance with GAAP to all investors in such Fund

promptly after completion of the audit. PSCCP will also arrange for auditors to complete annual surprise examinations for Partners III, Partners IV and Fund III Employee.

Item 16 – Investment Discretion

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, PSCCP has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund. PSCCP is provided with this authority pursuant to a limited power of attorney granted via the applicable Governing Documents.

Item 17 – Voting Client Securities

Because PSCCP has, or will accept, authority to vote securities held by a Fund, it has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) that have been designed to ensure that PSCCP complies with the requirements of the Advisers Act and reflect PSCCP’s commitment to vote all securities held by a Fund for which it exercises voting authority in a manner consistent with the best interest of the applicable Fund.

When exercising its voting authority over securities held by a Fund, PSCCP considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. PSCCP votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and in a manner consistent with the Proxy Voting Policies and Procedures and PSCCP’s fiduciary duties to the applicable Fund.

PSCCP reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Fund. As a result, depending on a Fund’s particular circumstances, PSCCP may vote one Fund’s securities differently than it votes those of another Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, PSCCP may determine that it is in a Fund’s best interest for PSCCP to “abstain” from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, PSCCP, in consultation with the CCO and internal and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of PSCCP, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, PSCCP takes steps to ensure that its voting decision is based on the best interests of the applicable Fund and is not a product of the conflict. PSCCP may, at its discretion, (A) seek the advice of the applicable advisory committee (if any) in voting such security; (B) disclose the conflict of interest to the limited partners of the Fund prior to voting such security; (C) defer to the voting recommendation of an independent third party provider of proxy voting services and/or (D) take such other action in good faith (in consultation with PSCCP’s internal and outside counsel as necessary) which would serve the best

interest of the Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical). PSSCP will deliver to each investor, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for such Fund.

Item 18 – Financial Information

PSSCP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.