

SaaS Capital, LLC

and its relying Advisers:

SC GP III, LLC

SC GP III(B), LLC

SC GP IV, LLC

Investment Advisor Brochure

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March 28, 2023

This brochure provides information about the qualification and business practices of SaaS Capital, LLC (“SaaS Capital”) and its relying advisers listed above, which each serve as a general partner or manager to one or more of our private funds. If you have any questions about the contents of this brochure, please contact us as (303) 870-9529 or <https://www.saas-capital.com/>. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about SaaS Capital is available on the SEC’s website at <https://adviserinfo.sec.gov/>

Item 2 – Summary of Material Changes

There are no material changes since our last Form ADV. The regulatory assets under management in Item 4 have been updated.

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Item 4 – Advisory Business

Background and Ownership

This Brochure provides information about the business practices of SaaS Capital, LLC (“SaaS Capital” or “Management Company”). SaaS Capital and its affiliated advisers provide investment advisory services to private investment funds (hereinafter referred to individually as a “Fund” or collectively as the “Funds”). SaaS Capital was founded in 2007.

A separate entity established by SaaS Capital serves as the general partner to each of the Funds, and each such general partner is included in this Form ADV as a relying adviser.

SaaS Capital is owned and controlled by Robert Belcher. Mr. Belcher owns less than 75% and Todd Gardner owns less than 50% of SC GP III, LLC which serves as general partner to SaaS Capital Fund III, LP and SaaS Capital Fund QP Fund III, LP. Mr. Belcher owns less than 75% and Steven Jaffee owns less than 50% of SC GP III(B), LLC which serves as general partner to SaaS Capital Fund III(B), LP and SaaS Capital Fund QP Fund III(B), LP. Mr. Belcher, Mr. Jaffee, Randall Lucas, and Stephanie Fortener each own less than 25% of SC GP IV, LLC which serves as general partner to SaaS Capital Fund IV and SaaS Capital QP Fund IV.

Funds

The Funds are all debt funds and managed in accordance with the investment objectives, strategies and guidelines set forth in their respective Private Placement Memorandums (each a “PPM”). This document is not tailored to each individual investor in the Funds and therefore it is up to the investor to consider whether a Fund meets their investment objectives and risk tolerance prior to investing.

Assets Under Management

As of December 31, 2022, SaaS Capital managed approximately \$177,339,744 in total regulatory assets under management, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

Investment Management Fees

SaaS Capital receives a management fee in connection with advisory services. Each Fund shall pay a management fee to the Management Company (the “Management Fee”) as set forth in the respective limited partnership agreement. Typically, the Management Fee is equal to the sum of (i) one percent (1.00%) per annum of the aggregate Capital Commitments, plus (ii) one percent (1.00%) per annum of the average aggregate amount of the outstanding Investments of the Funds (outstanding Investments do not include amounts committed to a Portfolio Entity that have not yet been funded). Thereafter for all other periods, the Fund shall pay a Management Fee to the Management Company equal to two percent (2.00%) per annum of the average aggregate amount of the outstanding Investments of the Funds. The Management Fee shall be calculated and paid quarterly in advance, prorated among all Partners in accordance with each Partner’s percentage interest in the respective Fund. Each quarterly Management Fee shall be adjusted to reflect any changes in the Capital Commitments or outstanding

Investments during the previous quarter. The General Partner may waive or reduce the Management Fee in its sole discretion for any Partner, including the General Partner.

Carried Interest

The General Partner of each Fund shall receive a carried interest with respect to the relevant Fund equal to 20% of Distributions after full return of invested capital plus any accrued and unpaid preferred return, subject to catchup.

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

As described in Item 5, each general partner shall receive carried interest on Distributions in the relevant Fund.

Item 7 – Types of Clients

SaaS Capital provides investment management services only to Funds as described in Form ADV, including this Brochure.

The investors participating in the Funds may include individuals, banks, or other thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates, or charitable organizations of corporations or business entities and may include, directly or indirectly, principals or other employees of SaaS and its affiliates. Additionally, investors in a Fund are required to meet certain net worth qualification to qualify as “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 and other requirements set forth in the applicable PPM.

Important Notice

This Brochure may be provided to prospective investors in a Fund, together with the Fund’s confidential Private Placement Memorandum (“PPM”) and other related documents in connection with an investor’s consideration of an investment in a Fund. While this Brochure may include information about SaaS Capital or a Fund, it is not a complete representation of all the features, risks or conflicts associated with the Fund. Additional documentation for example, the PPM and other related documents, should be reviewed carefully prior to investing in a Fund.

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

The investment objective of each Fund is to operate as an investment fund principally for the purpose of producing current income and long-term capital appreciation by providing senior debt financing to companies using a “software as a service” business model (the “Portfolio Entities”). The Funds may invest directly or through a funding subsidiary or affiliate via a participation agreement.

The Funds will use the proceeds called under the Partners’ Capital Commitments, together with funds which may be borrowed from one or more third party lenders, to make loans to the Portfolio Entities. The Funds intends to accept warrants to purchase equity securities of the Portfolio Entities in connection with such loans and the exercise of such warrants shall be at the sole discretion of a Fund’s General Partner.

An investment in the Funds involves a high degree of risk and should be regarded as speculative. Investment in Funds should be considered only by institutions and individuals that can reasonably afford a loss of their entire investment. Each prospective investor should therefore carefully consider the following risks before investing in the Funds. This list is not all-inclusive and other risks may arise in connection with the management and operation of the Funds.

- 1. Investment Activities.** The Funds investment activities involve a high degree of risk. The performance of any Investment is subject to numerous factors which are neither within the control of nor predictable by the General Partner. Such factors include a wide range of economic, political, competitive, and other conditions that may affect Investments in general or specific industries and companies, or the ability of a Portfolio Entity to repay a loan. Investments outside the U.S. or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation, or non-exchangeability) as well as a range of other potential risks including, but not limited to, expropriation, confiscatory taxation, political or social instability, illiquidity, or market manipulation. General economic conditions may affect the Fund's activities. Among the economic conditions that could impact the value of the Funds Investments are recession, inflation, rising interest rates, and adverse currency changes. In light of the nature of the Funds Investments, as well as the various market factors affecting such Investments, there can be no assurances as to the Funds financial performance and it is possible that the Funds financial performance may fluctuate substantially from period to period and/or result in the loss of the Limited Partners' investments in the Funds. Furthermore, since the income generated by the Investments is subject to fluctuation, the General Partner can give no assurances that such Investments will each provide sufficient Net Income to allow for Distributions to the Limited Partners in the manner set forth in the Partnership Agreement. There is no guarantee that the investment objective will be achieved.
- 2. Structure of Investments.** The Funds, either directly or through a funding subsidiary, may borrow funds from one or more third party lenders which will be used, in addition to the Capital Contributions made by the Partners to make the Investments in the Portfolio Entities. The use of such leverage may create additional risk for the Investments. As an accommodation, the General Partner or an affiliate may make an initial loan, prior to close of the first capital call, which shall be assumed by the Fund upon close of the first capital call. No additional fees shall be paid to the General Partner or any affiliate for such Investment, but any Management Fees, or other costs and expenses related to such Investment, which accrue prior to the Fund's assumption of the loan shall be the sole responsibility of the Fund.
- 3. Experience of Management Company.** The success of the Funds depends to a great extent on the ability and experience of the Management Company to manage the Investments of the Funds. If the Management Company, or its key personnel, including certain members of the Investment Committee, cease to participate in Fund's business, Fund's ability to manage its investments may be impaired.
- 4. Regulatory Risks.** The Funds are not registered as an "investment company" under the 1940 Act and the Funds do not intend to register, so long as there remains an available exemption from registration. Also, the Management Company is not currently registered as an investment adviser under the Investment Advisers Act of 1940, with either the Securities and Exchange Commission

or any state, as it is currently exempt from such registration; however, it does file as an exempt reporting adviser to private funds. Consequently, investors in the Funds will not benefit from certain of the protections afforded by such statutes. See the discussion of “Certain Legal and Regulatory Considerations” below.

5. **Illiquidity of Partnership Interests.** The Partnership Interests have not been registered under the 1933 Act, the securities laws of any state, or the securities laws of any other jurisdiction, and, therefore, cannot be sold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an appropriate exemption therefrom exists. The General Partner does not intend to effect any such registration.
6. **Public Market.** There is no public market for the Partnership Interests and one is not expected to develop. A Limited Partner may not transfer or assign all, or any part of, its Partnership Interests except upon compliance with the requirements of the Partnership Agreement and such assignee may become a Limited Partner only upon the consent of the General Partner and compliance with further requirements of the Partnership Agreement. A Limited Partner has limited withdrawal rights. A Limited Partner may withdraw as a Limited Partner of the Funds in the event that any regulatory authority asserts that the continued holding by such Limited Partner of its Partnership Interest would be illegal as a result of any law, rule, or regulation or interpretation of any of the foregoing applicable to such Limited Partner only upon delivery to the General Partner of an opinion of counsel, reasonably acceptable to the General Partner, as to the effect of the foregoing upon the Limited Partner and the consent of the General Partner. See the discussion of “Certain Legal and Regulatory Considerations.”
7. **Partnership Interests Subject to Capital Calls.** Investment in the Funds requires a commitment by investors, for an extended period of time, to contribute substantial amounts of capital, if and when called, on short notice. Investors who are unwilling or unable to comply with their Capital Contribution obligations risk forfeiture of possibly all of their investment in the Funds. Upon a default, the Capital Account of the Defaulting Limited Partner will be automatically frozen and the Defaulting Limited Partner will be prohibited from participating in any subsequent Investments and receiving any allocation of the Net Income or any Distribution. In addition, the Defaulting Limited Partner’s Interest in the Funds will be converted to a Non-Voting Interest. See “Summary of Partnership Terms – Defaulting Limited Partner” above.
8. **Passive Investment.** The structure of the Funds as a limited partnership precludes the Limited Partners from active participation in the investment decisions and management of the Funds. The Partnership Agreement requires that the Limited Partners rely entirely upon the judgment and ability of the General Partner in making Investments and the Limited Partners will be unable to evaluate for themselves the risks and economic merits of potential investment opportunities which come to the attention of the General Partner and the Management Company.
9. **Lack of Separate Representation.** Neither the Partnership Agreement nor any of the agreements, contracts, and current arrangements between the Funds, on the one hand, and the General Partner or its Principals, on the other hand, were or will be the result of arm’s length negotiations.

The Partnership Agreement provides, however, that without the prior written consent of the Advisory Committee and written notice to the Limited Partners, the General Partner, the Principals, and each Related Party will not engage in any additional transaction with the Funds except on terms that are no less favorable than the terms of any such transaction offered to or engaged in with an unaffiliated third party. The General Partner will disclose the nature and terms of any such Related Party transactions to the Advisory Committee. A Limited Partner is not deemed to be a Principal, a Related Party, or an affiliate solely by virtue of its status as a Limited Partner in the Funds. The term “Related Party” means the General Partner and its affiliates, and each of their respective members, stockholders, employees, officers, directors, and agents or, in the case of any General Partner member who is an individual, any of such person’s family members. The attorneys, accountants, and others who have performed services in connection with this offering, and who will perform services for the Funds in the future, have been and will be selected by the General Partner.

- 10. Investments.** The Investments in the Portfolio Entities will potentially include a high degree of business and financial risk. Such companies may not have a proven operating history, may be engaged in rapidly changing businesses, may require substantial additional funding to support operations, or may otherwise have weak financial conditions. Such companies may also be highly leveraged and subject to financial and operating covenants. A high degree of leverage may impair such companies’ ability to finance future operating and capital needs. The General Partner expects up to 20% of the Fund’s total returns may be generated by warrants; however, all warrants issued may expire worthless, and any equity securities obtained pursuant to warrant rights will be restricted, or subject to loss of the entire purchase amount, which would have a negative impact on the General Partner’s projections for the Funds.
- 11. Global Pandemic or Health Risk.** The global spread of the novel coronavirus (“COVID-19”) in 2020 was declared a pandemic by the World Health Organization. The COVID-19 global pandemic and the aggressive responses taken by many governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines or similar restrictions, as well as the forced or voluntary closure of, or operational changes to, many retail and other businesses, and related events and political fallout have had negative impacts, which in many cases have been severe, on markets worldwide. It is not known how long such impacts, or any future impacts of other significant events disease, illness, pandemic, or other health risk and related political risks, will or would last, but there could be a prolonged period of global economic slowdown, which may impact a Portfolio Entities and a Partner’s investment in the Funds. Therefore, the Funds could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates can have the same impact on all types of investments. In times of severe market disruptions, a Partner could lose its entire investment.
- 12. General Partner, Advisory Committee, Management Company, and Investment Committee Not Required to Devote Full Time to the Funds.** The General Partner, the Advisory Committee, the Management Company, and the Investment Committee, and the individuals associated therewith will devote only the amount of their time to the affairs of the Funds that they deem reasonably necessary to conduct the Fund’s business. The Advisory Committee, the Management Company,

and members of the Investment Committee are expected to devote substantial time to other business activities. Conflicts may arise allocating the time and resources of the General Partner, the Advisory Committee, the Management Company, and the Investment Committee among the Funds and other activities.

13. Net Income in Excess of Cash Distributions. It is possible that some of the Investments of the Funds could produce original issue discount which requires taxpayers to include in gross income an amount of interest which may exceed the amount of interest paid in cash on the debt instrument. Accordingly, a Partner could be required to include in income an amount in excess of the cash distributed or the cash available for distribution by the Funds although the General Partner will endeavor to cause the Funds to make distributions to each Partner's Capital Account in the respective amounts of Net Income distributable to such Partner during such year as soon as practicable following the date of any allocation of Net Income.

14. Possible Unrelated Business Income Tax. Because the Funds expects to generate debt financed income, it is possible that, with respect to tax-exempt Limited Partners, a portion of the Funds income will be treated as unrelated business taxable income ("UBTI") within the meaning of Section 514 of the Code.

15. Cybersecurity. Although the General Partner and Management Company will take protective measures and endeavor to modify them as circumstances warrant, the security of their computer systems, software and networks is vulnerable to breaches, unauthorized access, misuse, computer viruses or other malicious code and other events that could have a negative impact on the Funds. Additionally, breaches of security may occur through intentional or unintentional acts by those having authorized or unauthorized access to confidential or other information that we maintain, including information with respect to us, investors in the Funds and its counterparties. One or more such events could potentially jeopardize such confidential and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations and, the Funds investors', counterparties' or third parties' operations, which could result in significant losses, increased costs, liability to the Funds, regulatory intervention or reputational damage to the Funds. The Funds may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures arising from operational and security risks, and the Funds may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by the Funds.

Item 9 – Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

While SaaS Capital serves as the "investment adviser" to the affiliated Funds, separately formed entities serve as the general partner or manger, as applicable to the Funds. Each Relying Adviser serves as a general partner to one or more of the Funds. SC GP III, LLC is the general partner of SaaS Capital Fund III, LP and SaaS Capital QP Fund III. SC GP III(B), LLC is the general partner of SaaS Capital Fund III(B), LP

and SaaS Capital QP Fund III(B), LP. SC GP IV, LLC is the general partner of SaaS Capital Fund IV, LP and SaaS Capital QP Fund IV, LP.

These relationships may create or have the potential to create a conflict of interest as members of the general partner (its “Principals”) and other affiliates are engaged and may in the future engage, individually or with others, in other business or investment activities or business ventures, including those which may be similar to or in competition with the Investments or business a Fund, including the Prior Funds or future SaaS Capital funds. The Principals may also provide management assistance, financial consulting, investment and asset management services, reporting and accounting, and similar services to clients, which may include Portfolio Entities or potential Portfolio Entities. No fees for such services need be shared with a Fund, but all such relationships are subject to approval by the Advisory Committee. The Management Company may be paid a due diligence fee or reimbursed for due diligence costs by a Portfolio Entity. If Management Fees are paid by a Portfolio Entity, those fees would offset any Management Fees due by a Fund. In the event of any potential conflict of interest due to any other investment or business relationship, the General Partner will act in the manner which it reasonably and in good faith believes to be in or not opposed to the best interests of the Fund. Obligations of fair dealing, non-disclosure of inside information, and the like also may limit the Principals in acting on behalf of a Fund. Subject to the provisions of each Fund’s Limited Partnership Agreement, the Principals may at any time organize, sponsor, invest in, or otherwise enter into contracts with other limited partnerships or other entities with the same or similar investment objectives as the Fund and in which any Principal has the same or similar kinds of responsibilities as in the Partnership Agreement.

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

SaaS Capital has adopted a Code of Ethics (“Code”) in accordance with Rule 204A-1 under the Advisers Act. The Code instructs all employees, officers, and directors of their ethical obligations and provides rule for their personal securities transactions. All such persons owe a fiduciary duty to the Funds and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. These general principles are:

- The duty at all times to place the interests of SaaS’s clients first;
- The requirement that all personal securities transactions be conducted in a manner consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of any individual’s position of trust and responsibility; and
- The fundamental standard that such employees, officers, and directors should not take inappropriate advantage of their positions, for personal benefit.

The Code requires that all personal securities transactions must also comply with SaaS Capital’s Insider Trading Policy and Procedures. Employees shall comply at all times with all applicable federal securities laws. Federal securities laws means the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940 (“Advisers Act”), Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Securities & Exchange Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Securities & Exchange Commission or the

Department of the Treasury. Employees shall at all times maintain the confidentiality of client identities, security holdings, financial circumstances and other confidential information. Employees shall report any violations of this Code of Ethics promptly to the Compliance Officer.

Item 12 – Brokerage Practices

SaaS Capital does not execute transactions through a securities broker-dealer. If a situation would arise that transaction would need to be executed through a securities broker-dealer SaaS main objective will be to seek “best execution” (most favorable price and execution).

Item 13 – Review of Accounts

The investment made by the Funds are generally private, illiquid, and long-term in nature. SaaS Capital closely monitors loans the investments made by the Funds and will periodically check to confirm that each Fund is maintained in the stated objective as described in the respective PPM.

Item 14 – Client Referrals and Other Compensation

SaaS Capital does not receive any economic benefit from non-clients with regards to investment advice to the Funds. SaaS Capital does not utilize solicitors or agents to promote interest in the Funds.

Item 15 – Custody

SaaS Capital's related persons/relying advisers may be deemed to have custody over the assets in its pooled investment vehicles clients according to Rule 206(4)-2 under the Advisers Act. Therefore, an independent public accountant will conduct audit annually of the pooled investment vehicle(s). The audited financial statements will be provided to investors within 120 days of the end of the fiscal year. These financial statements along with periodic reports should be carefully reviewed by the investors.

Item 16 – Investment Discretion

SaaS Capital has full discretionary authority with respect to investment decisions made on behalf of the Funds in accordance with the investment objectives and guidelines set forth in each respective Fund's PPM. Any investment limitations are described in a Fund's PPM and can be amended by the Fund.

Item 17 – Voting Client Securities

The Funds do not currently hold publicly traded securities. If necessary, SaaS will adopt appropriate proxy voting policies and procedures.

Item 18 – Financial Information

SaaS Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds or their investors.

