

**Item 1: Cover Page**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Bunker Hill Management, LLC (“Bunker Hill”). If you have any questions about the contents of this Brochure, please contact us at (617) 720-4030. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Bunker Hill is registered as an investment adviser with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Bunker Hill also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

This is an updated filing of Form ADV Part 2A.

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**Item 4: Advisory Business**

Bunker Hill Management, LLC ("Bunker Hill") manages private equity funds (collectively the "Funds") that invest in operating companies. Bunker Hill has the responsibility and authority for the selection of investments and management of the Funds. The Funds are structured as limited partnership vehicles, in which the investors are limited partners and a Bunker Hill affiliate serves as the general partner. Bunker Hill refers to the Funds as the "Clients".

As of December 31, 2014, Bunker Hill has \$339,705,928 in assets under management. Assets under management is defined as the current net asset value of the investments of all Funds (including any escrowed dollars, but not including prior distributions) as of December 31, 2014 plus capital committed but not yet contributed.

**Item 5: Fees and Compensation**

Bunker Hill receives management fees as compensation for the management, investment management and administrative services it provides to the Funds. Bunker Hill is paid an annual management fee equal to 2% of the committed capital of the Funds during the investment period. Thereafter, Bunker Hill is paid 1.5% per annum of the commitments drawn less aggregate net unrealized losses and returns of capital.

**Item 6: Performance Fees and Side-by-Side Management**

An affiliate of Bunker Hill has entered into performance-based fee arrangements with the Funds. Such fees entitle Bunker Hill to a percentage of the profits of the Fund, customarily referred to as "carried interest" which is 20% and is contingent on the Fund achieving certain investment performance hurdles.

**Item 7: Types of Clients**

Bunker Hill has four Clients that invest principally in private equity and equity-related investments in companies or similar investment vehicles that have significant potential for value creation. Investors in the Funds managed by Bunker Hill may include high net worth individuals and a variety of institutional investors (e.g. trusts, employee benefit plans, endowments, foundations, corporations and other types of entities, including private funds of funds). All investors are required to be "accredited investors" (as defined in Regulation D promulgated under the Securities Act of 1933) or otherwise be permitted to invest under applicable securities laws.

**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Bunker Hill's core investment strategy is to seek out lower middle market companies whose operating performance meets Clients' strategic, financial and operational goals as

stated in each of the Fund's Private Placement Memorandums. There are three fundamental elements of Bunker Hill's investment strategy:

- **Value Investing:** Bunker Hill applies proprietary, disciplined investment criteria to identify target companies that have good valuation multiples and will allow for the Client to obtain a controlling interest.
- **Strategic Investment Management:** Bunker Hill aims to identify target companies that have management teams in place who can work with the general partner of the respective client that is investing in the private company and where necessary, the general partner will utilize its internal resources to supplement any management deficiencies.
- **Optimal Investment Realization:** Bunker Hill proactively manages the exit strategy of each portfolio company. Value can be extracted either partially through a structured recapitalization or fully through an outright sale.

## **Risk**

All types of investing involve a certain amount of risk, including the loss of all invested funds. Our Clients should be prepared for the loss of their investment including specific risks of loss associated with the investment in private equity securities. Additionally, investors in our Funds are advised of certain risks, which are fully disclosed in the offering memorandum for each Fund. These include, but are not limited to:

### ***Lower Middle Market Companies***

Investments in lower middle market companies may involve greater risks than investments in larger companies. Lower middle market companies often face significant competition, both from other lower middle market companies and from larger companies. Lower middle market companies frequently have less diverse product lines, smaller market presence, less experience and less financial resources than larger competitors and are therefore more vulnerable to economic downturns. Lower middle market companies are often dependent upon management by one or a few key individuals. It may be more difficult to formulate an exit strategy from a lower middle market company than from a larger, more mature company. All of these factors may affect the Funds' returns on their investments in lower middle market companies.

### ***Highly Competitive Market for Investment Opportunities***

The activity of identifying, completing and realizing investment returns on attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the Funds will be able to locate and complete investments

in portfolio companies that satisfy the Funds' investment criteria or realize upon their values, or that they will be able to invest fully the commitments.

### ***No Market or Liquidity for Limited Partnership Interests***

The interests in the Funds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state thereof, or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration under the Securities Act of the interests in the Funds or other securities laws will ever be affected. There is no public market for such interests and one is not expected to develop. Investors in the Funds are not permitted to assign their interests without the prior written consent of the Funds' general partners, whose consent will not be unreasonably withheld. Except in extremely limited circumstances, voluntary withdrawals from Funds will not be permitted. Investors in the Funds are prepared to bear the risks of owning the interests for an extended period of time. It may be difficult to obtain reliable information about the value of its interest in a Fund or the extent of the risks to which it is exposed.

### ***Illiquid and Long-Term Investments***

Although investments in portfolio companies by the Funds may occasionally generate some current income, the return of capital and the realization of gains, if any, from a portfolio company investment generally will occur only upon the partial or complete disposition of such investment. Although a portfolio company investment may be sold at any time, it is not generally expected that this will occur for a number of years after the portfolio company investment is made. In addition, it is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition. The Funds will generally not be able to sell their securities publicly unless their sale is registered under applicable securities laws (which the Funds are under no obligation to effect), or unless an exemption from such registration requirements is available.

### ***Risk of Limited Number of Investments***

The Funds are expected to participate in a limited number of portfolio company investments and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single portfolio company investment. Although the Funds intend to build a diversified portfolio of investments with representation in various industries and economic sectors, the Funds' portfolios may be concentrated in certain companies, industries, economic sectors, or geographic regions and as such may be more exposed to risk than a fund with a more diversified portfolio.

***Leverage***

The Funds may invest in portfolio companies whose capital structures will have significant leverage. Although the general partners will seek to use such leverage in a prudent manner, such leveraged capital structures will increase the impact of adverse economic factors on the Funds' investments. The use of leverage increases the risk of loss as well as potential for gain. Leverage could result in the loss of the entire amount of a Fund's investment in one or more portfolio companies.

***Reliance on Portfolio Company Management***

Although Bunker Hill will monitor the performance of each investment by the Funds, the Funds will rely upon management to operate the portfolio companies on a day-to-day basis. While it is the intent of the Funds to invest primarily in companies with proven operating management in place, there can be no assurance that such management will continue in place or operate successfully.

***Reliance on the General Partner and the Partners***

The general partner will have responsibility for managing the Funds' activities and investors will not be able to make investment or any other decisions in the management of the Funds.

***Limited Operating History***

The Funds and the general partners are new entities with no operating histories. There can be no assurance that investments by the Funds will achieve their targeted returns. Although senior management at Bunker Hill has worked together successfully in the past, there is no assurance they will be able to do so as successfully on behalf of the Funds. For example, certain resources and personnel that were previously available may be unavailable to the general partners and Bunker Hill.

***Active Management***

The Funds intend to participate in the management and control of the portfolio companies in which they invest and will designate directors to serve on the boards of its portfolio companies. The designation of directors and other control measures could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors that the Fund is a controlling person and thus is responsible for debts of the portfolio company, including debts arising from violations of securities laws. These control measures also could result in certain disabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the Funds if directors designated by the Funds violate their fiduciary and other duties to a portfolio company; and could expose the

Funds to claims that it has interfered with management to the detriment of a portfolio company.

### ***Liabilities upon Disposition of Certain Investments***

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. They may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which ultimately might have to be paid out of assets of the Fund or funded by the investors in the Fund. Each Fund's limited partnership agreement will provide that if there is any such claim in respect of a portfolio company, it will be satisfied by the investors to the extent that they received proceeds of the transaction giving rise to the claim.

### **Potential Conflicts of Interest**

Bunker Hill and the general partners will be subject to a number of conflicts of interest in conducting the business of the Funds. Bunker Hill and the general partners will endeavor to resolve any conflicts of interest in a manner that is equitable to all parties to the extent possible and that is consistent with the fiduciary duties of the general partner and Bunker Hill to the Funds. However, there can be no assurance that any conflicts will be resolved on a basis favorable to the Funds.

### ***Other Ventures***

The general partners and Bunker Hill may become involved in a variety of investment-related and non-investment-related activities. Except as set forth below, the general partners and Bunker Hill may engage independently or with others in other business activities of every nature or description and neither the Funds nor any investors shall have any rights in and to such independent ventures or the income or profits derived therefrom.

In the future, Bunker Hill and/or the general partners may organize other investment funds with investment objectives and policies similar to the Funds except that, without the prior approval of the investors, neither the general partners nor Bunker Hill will make investments on behalf of, or cause investments to be made by, another limited partnership or other investment vehicle with investment objectives substantially similar to that of the Funds.

The general partner and Bunker Hill may have conflicts of interest in allocating management time, services, functions and investment opportunities among the Funds and



other ventures and may give advice and take actions with respect to other ventures that differ from advice given or actions taken with respect to the Funds. In particular, there may be a conflict of interest between the Funds and such other ventures with respect to which of them will acquire an investment that is suitable for more than one of them. The general partner and Bunker Hill will attempt to allocate investment opportunities to the Funds over a period of time on a fair and equitable basis, but there can be no assurance that any particular opportunities will be allocated to the Funds. In determining the suitability of a particular investment opportunity for the Funds or for another fund managed by the general partner or Bunker Hill, the general partners and Bunker Hill will attempt to consider all relevant factors, including, among other things, the nature and amount of the investment, the investment objectives of the Funds and such other fund, the present composition of the portfolio of the Funds and such other fund, and the amount of assets of the Funds and such other fund available to make such investment. It is understood that, based on these factors, the general partners and Bunker Hill may recommend an investment to a fund even though the general partner and Bunker Hill have not recommended the investment to one or more other funds with assets available for investment. The possible taking of inconsistent investment positions could result in a situation where the position taken for the Funds is unprofitable while the position taken on behalf of another fund managed by the general partner or Bunker Hill is profitable.

Some of the companies in which other ventures of the general partner and Bunker Hill in the future may have an interest could compete with one or more of the Funds' portfolio companies for customers, suppliers, credit or business opportunities. In addition, some of the enterprises for which Bunker Hill in the future may provide consulting and other services may compete with the Funds' portfolio companies. In such cases, there could be conflicts of interest in the allocation of management resources and business opportunities among such businesses and ventures and the Funds' portfolio companies. The general partners and Bunker Hill will endeavor to resolve all such conflicts in a reasonable manner, but there can be no assurance that any such resolution will be in the manner most favorable to the Funds. There can, accordingly, be no assurance that such conflicts will not adversely affect the interests of the Funds.

### ***Investments by Affiliated Parties***

Another venture managed by the general partner or Bunker Hill may also invest in a portfolio company alongside the Funds or in previous or subsequent rounds of financing. In these cases, conflicts of interest may arise. Because the Funds may invest in portfolio companies in which another venture managed by the general partner or Bunker Hill has made investments prior to the Funds', or in which the partners otherwise have an interest, the general partner may have conflicts of interest in valuing the portfolio company for

purposes of the Funds' investment and in determining the terms of the Funds' investment. These conflicts are exacerbated by the fact that valuing private companies involves a large degree of subjective judgment. In addition, the Funds' investment may enhance the value of another venture's prior investment.

Conflicts of interest may also arise in managing investments of the Funds in portfolio companies in which other ventures managed by the general partner or Bunker Hill have subsequently invested, or in which the partners otherwise have an interest. For example, there may be conflicts of interest in determining when and upon what terms to seek additional capital for such a portfolio company or in handling financial or business reverses suffered by the portfolio company. In addition, the Funds' prior investment or interest may enable the general partner or Bunker Hill to establish a business relationship with the issuers of the Funds' investments or their affiliates. The existence of or the potential for establishing such relationships could affect investment decisions by the general partner or Bunker Hill.

#### ***Time and Attention of Key Personnel***

The partners have other responsibilities outside the Funds to which they may be required to devote time and attention. Each Funds' Limited Partnership Agreements are expected to provide that until the earlier of (a) the expiration of the Commitment Period, or (b) the date on which 70% of the aggregate capital commitments have been contributed or reserved for the payment of future expenses and/or the making of additional follow-on investments, the general partner and each partner shall devote substantially all of their business time to managing and operating the Funds, and any other co-investment vehicles that invest alongside the Funds. In addition, there can be no assurance that any of the partners will continue to participate as a partner or to function on behalf of the general partner or the Funds.

#### ***Representation***

The attorneys, accountants and other professionals, who perform services for the Funds may and in some cases do, perform services for the general partner or Bunker Hill.

#### **Item 9: Disciplinary Information**

No member of Bunker Hill has material disciplinary information to report.

#### **Item 10: Other Financial Industry Activities and Applications**

No other industry affiliations exist for owners, officers, directors or employees of Bunker Hill.

**Item 11: Code of Ethics**

Bunker Hill has adopted a Code of Ethics ("Code") designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). The Code establishes rules of conduct for employees and addresses employee personal securities trading, misuse of confidential information, misuse of material non-public information and political contributions. Bunker Hill's Code includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's "Supervised Persons" (as defined in the Code). Among other things, Bunker Hill's Code also requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Bunker Hill's Code provides for oversight, enforcement and recordkeeping.

Bunker Hill's reputation for fair and honest dealing has taken considerable time to build. The Code reminds employees of the ethical standards maintained by Bunker Hill and its affiliates. All employees are required to acknowledge receipt of the Code of Ethics annually. A copy of the Code of Ethics is available upon request.

**Item 12: Brokerage Practices**

Bunker Hill only engages in private equity investment for its affiliated clients. Most transactions are completed directly with the private company. However, investment opportunities may occasionally arise where a company is represented by a FINRA member broker dealer, a foreign broker dealer or another investment adviser. Should such an opportunity arise and Bunker Hill believes it is an appropriate transaction for the client, it will assure that the client is receiving the same or better execution and pricing as any other investor that is participating in the transaction.

**Item 13: Review of Accounts**

Each Fund has specific investment criteria and limitations set forth in the organizational documents of the Fund. Any investment for that Fund will be evaluated by the Investment Committee, composed of the four principals of Bunker Hill, to assure it satisfies the particular investment criteria and limitations applicable to that Fund. After an investment is made by a Fund, Bunker Hill's Investment Committee will continuously monitor the investment for the Fund. Any decision to sell securities held by a Fund is made by members of Bunker Hill's Investment Committee for that Fund.

Portfolio reports are prepared for all Funds. They are furnished to the Funds and investors in the Funds as agreed upon in the partnership agreements or other organizational documents of the Funds. These reports are provided quarterly.

**Item 14: Client referrals and other compensation**

An affiliated company of Bunker Hill pays a solicitor for client referrals which are disclosed to any investor at or prior to the investment. Bunker Hill is not compensated for any referrals it may recommend to Clients, including the use of any broker dealer to execute transactions.

**Item 15: Custody**

Bunker Hill and its affiliates are deemed to have custody by virtue of their status as investment manager and general partners or managers to the Funds. Citizens Bank acts as a qualified custodian for the Clients' cash accounts, and to the extent any securities are in certificate form, for such securities. The Firm does not use the qualified custodian to send quarterly account statements directly to the Underlying Investors. Instead, the Firm relies on an exception available to "pooled investment vehicles" from the reporting and surprise audit obligations imposed by the SEC's custody rule by requiring each Client to distribute its annual audited financial statements to its Underlying Investors within 120 days after the end of the Client's fiscal year.

**Item 16: Investment Discretion**

Subject to the investment objectives, policies and restrictions of each Bunker Hill Fund as set forth in its limited partnership agreement or other similar agreements, Bunker Hill has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Bunker Hill Fund.

**Item 17: Voting Client Securities**

Securities held by the Clients do not typically allow for the exercise of voting authority. However, if a Client was solicited to vote a security, the Firm would, in its sole discretion; vote in a manner which it reasonably believes furthers the economic interest of such Client with the objective of maximizing the ultimate economic value of the Client's investments. In the event of an actual or perceived conflict of interest between the Firm and one of its Clients with respect to a vote, such conflict will be referred to the Firm's Investment Committee and the Firm's Chief Compliance Officer for discussion prior to such vote being submitted.

A copy of the Firm's proxy voting policies and procedures, including information about any securities voted by the Clients, may be obtained by contacting the Firm's Chief Compliance Officer using the contact information listed on the cover page of this brochure.

**Item 18: Financial Information**

Currently, there is no known financial condition that is reasonably likely to impair Bunker Hill's ability to meet its contractual commitments with its Clients.

**Item 19: Requirements for State-Registered Advisers**

Bunker Hill is an SEC Registered Investment Adviser and as such is not required to register with individual states.