

Item 1 – Cover Page



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February 25, 2019

This “Brochure” provides information about the qualifications and business practices of Stanley Capital Management, LLC and its affiliates (“Stanley Capital”). If you have any questions about the contents of this Brochure, please contact us at (713) 900-3200. 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 Stanley Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Stanley Capital Management, LLC is a registered investment adviser with the Securities and Exchange Commission (the “SEC”) under the Advisers Act of 1940 (the “Advisers Act”). Registration with the SEC or any state as an investment adviser does not imply that Stanley Capital Management, LLC or any principal employees of Stanley Capital Management, LLC possess a particular level of skill or training in the investment advisory or any other business.

Item 2 – Material Changes

This Brochure differs from the prior version, dated July 2018, in the following material respects:

- The Firm updated its assets under management in Item 4.

In this Item, Stanley Capital Management, LLC will periodically identify and discuss material updates to the Brochure. This is intended to inform current and prospective clients of important developments that may take place in Stanley Capital Management's business practices.

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Item 4 – Advisory Business

Stanley Capital Management, LLC ("Stanley Capital") is a Texas limited liability company and has its principal place of business in Houston, Texas. Stanley Capital was formed and has been in business since July 29, 2010. Stanley Capital acts as investment manager to a private fund, Stanley Partners Fund, LP (the "Fund" or the "Stanley Partners Fund"), for sophisticated, qualified investors, including high net worth individuals, funds of funds, family offices, endowments and other institutions.*

Stanley Capital is wholly owned by Stanley Capital Holdings, LP, an entity controlled by Bret W. Stanley, the Founder and Managing Partner of Stanley Capital.

Stanley Capital pursues its investment strategy through managing the Fund. Stanley Capital has discretion with respect to investment decisions made for the Fund. Stanley Capital provides investment advisory services to the Fund based on the particular investment objectives and strategies described in the Fund's confidential offering memorandum (if any) and governing documents (referred to collectively as "Offering Documents"). Currently, Stanley Capital provides specialized advisory services to the Fund which are based on Stanley's qualitative and quantitative analysis to select long and short equity investments for the Fund.

All discussion of the Fund in this brochure, including but not limited to its investments, the strategies used in managing the Fund, and conflicts of interest faced by Stanley Capital in connection with the management of the Fund are qualified in their entirety by reference to the Fund's Offering Documents.

Stanley Capital does not participate in wrap fee programs.

As of December 31, 2018, in client accounts managed on a discretionary basis, Stanley Capital had approximately \$188 million in assets under management. Client accounts advised on a non-discretionary basis had approximately \$0 in assets under management.

* As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the "client" of an investment adviser to a private fund is the fund itself and not an investor in the fund.

Item 5 – Fees and Compensation

Stanley Capital does not have a general fee schedule. The fees and expenses associated with an investment in the Funds vary, depending on the Fund, and are described in detail in each Fund's Offering Documents. Stanley may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Funds.

The Stanley Partners Fund

Stanley Capital currently acts as investment manager to the Stanley Partners Fund, LP, a Delaware limited partnership ("Stanley Partners Fund"). An affiliate of Stanley Capital, Stanley Partners GP, LP, ("Stanley Partners GP") acts as general partner to the Stanley Partners Fund. Set forth below is a description of the fees and expenses of the Stanley Partners Fund.

Management Fees. Currently, Stanley Capital does not charge the Fund management fees.

Performance Allocation. Stanley Partners GP is entitled to receive a performance allocation from the Stanley Partners Fund under certain circumstances. Item 6 of this brochure discusses any performance allocation payable by the Stanley Partners Fund to Stanley Partners GP. The performance allocation is typically deducted on the last day of the Fund's fiscal year.

Organizational Expenses. The Stanley Partners Fund bears the expenses of the organization of the Stanley Partners Fund and the offering of the Stanley Partners Fund interests to investors, including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses. These expenses are typically deducted quarterly in arrears. The organizational expenses borne by the Stanley Partners Fund are described in more full detail in the Stanley Partners Fund's Offering Documents.

Direct Expenses of the Fund. The Stanley Partners Fund is responsible for all direct expenses related to its operations and activities, including all of its expenses associated with its investment portfolio, including brokerage commissions and other transaction costs. The Stanley Partners Fund bears the full cost of expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the Stanley Partners Fund. The Stanley Partners Fund also bears all out-of-pocket costs of the administration and operation of the Stanley Partners Fund, including accounting, audit and legal expenses, costs of any litigation or investigation involving the Stanley Partners Fund's activities, and costs associated with reporting and providing information to existing investors in the Stanley Partners Fund. The Stanley Partners Fund does not bear the expenses for Bloomberg terminals, research travel, market data services, order management systems, office space or marketing to prospective investors. Item 12 of this brochure discusses how Stanley Capital selects brokers and determines the reasonableness of their compensation. The direct expenses borne by the Stanley Partners Fund are described in more full detail in the Fund's Offering

Documents.

Stanley Partners GP, in its sole discretion, may agree with an investor to waive or modify the application of any provision of the partnership agreement with respect to such investor, without obtaining the consent of any other investor (other than an investor who is materially and adversely affected by such waiver or modification).

Other than as described above, neither Stanley Capital nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

Stanley Capital or its affiliates generally receive an allocation from the Fund equal to a percentage of the positive difference between the net asset value of each investor's investment in the Fund and the "high water mark" attributable to such investors (the "Performance Allocation") as of each December 31. Stanley Capital or its affiliates also receive the Performance Allocation as of each date that the Fund makes a distribution or capital payout to an investor or the investor withdraws capital or transfers an interest in the Fund. The Performance Allocation for the Stanley Partners Fund is 20%. The specific structure and calculation of the Performance Allocation and high-water mark are described in detail in the Fund's Offering Documents.

Stanley Partners GP may reduce or waive the Performance Allocation to certain investors, including but not limited to Stanley Capital affiliates, employees, and family members.

The Performance Allocation arrangements may give Stanley Capital and its affiliates an incentive to engage in more speculative investment strategies to potentially receive greater compensation. Stanley Capital believes this potential conflict is mitigated by the Principal investing the substantial majority of his net worth in the Fund. The level of anticipated Performance Allocation is not a consideration in allocation decisions since Stanley Capital provides services to a single client.

Item 7 – Types of Clients

Stanley Capital provides investment advisory services to the Fund based on the investment objectives and strategies described in the Fund's Offering Documents. Stanley Capital, in its sole discretion, may manage other funds or accounts with different objectives, higher or lower fees and different fee structures than the Fund.

Investors in the Fund are required to complete and submit a subscription agreement binding them to the terms of a Fund's governing documents. The Stanley Capital only admits "accredited investors", as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended. The minimum investment in the Stanley Partners Fund is \$1,000,000, although the Stanley Partners GP may accept investments in a lesser amount at its sole discretion.

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

Stanley Capital provides investment advisory services to the Fund based on the investment objectives, policies and strategies described in the Fund's Offering Documents.

The Stanley Partners Fund

The Stanley Partners Fund's overall objective is to achieve above-market returns and long-term capital appreciation while minimizing the risk of a permanent loss of capital. Stanley Capital seeks to accomplish this objective primarily by investing in publicly traded, marketable securities of U.S. and non-U.S. companies that are trading at prices substantially below their estimated intrinsic value. The Stanley Partners Fund will be long biased but will also short securities to hedge market exposure, reduce volatility and potentially augment long-only returns. Stanley Capital intends to invest primarily in U.S. corporate equity securities but may also invest in ETFs, options and other marketable securities.

Investment Strategy

The Stanley Partners Fund will typically be up to 100% net long, but portfolio architecture will be designed to match the prevailing market opportunities. Typically, this will mean exposure to equity market volatility through a concentrated portfolio of carefully researched opportunities while other market environments will dictate a market-neutral posture when Stanley Capital believes hedging market volatility improves the probability of achieving its long-term capital appreciation objective.

In selecting long investments, Stanley Capital emphasizes the following characteristics, although not all investments will have these attributes:

- Buy businesses trading at a significant discount to Stanley Capital's estimate of intrinsic value. An issuer's market price must generally offer 50% appreciation potential to estimated intrinsic value over a 2 to 3-year time period. Stanley Capital believes intrinsic value represents the fair economic worth of the business and a value that an informed buyer would pay to acquire the entire issuer for cash.
- Emphasize quality businesses with potential to grow intrinsic value over time. Stanley Capital primarily seeks established issuers which it believes have solid growth prospects, the ability to earn an attractive return on invested capital and a management team that exhibits intelligent capital allocation skills.

When the market offers quality companies at a large discount to intrinsic value, it is usually the direct result of investor reaction to near-term business uncertainty or a prevailing controversy surrounding the company. The contrarian and value-driven approach typically leads Stanley Capital to out of favor industries, companies experiencing cyclical challenges or recently disappointing near-term financial results.

Stanley Capital will consider selling a long security if a more attractive investment opportunity is identified, a security is trading near or above the estimate of intrinsic value or there is a permanent, fundamental deterioration in the financial condition or business prospects that results in inadequate upside potential to estimated intrinsic value. In selecting short investments, Stanley Capital applies the same fundamental research process inverted to select unpaired shorts at the intersection of poor valuation, earnings quality and weakening business trends or highly correlated pairs of investments that offer similar appreciation potential with less exposure to market volatility or prevailing market valuations. Stanley Capital will also utilize ETFs or other baskets of securities to create the desired portfolio architecture and net market exposure.

Investment Methodology

A security's trading value may diverge materially from its intrinsic value in the short and intermediate terms but will typically converge on its intrinsic value over the long term. The alert, patient and disciplined investor can exploit these opportunities with a thoughtfully designed investment program. Stanley Capital believes its investment edge is the Principal's experience in business analysis and valuation, a proprietary intrinsic value database and related investment technology, the Stanley Partners Fund's operating policies and long-term investment horizon. Stanley Capital's investment practices include but are not limited to:

- **Opportunity Identification:** The principal research activity of Stanley Capital is a systematic approach to populating and maintaining a proprietary database of intrinsic value calculations that the Principal has maintained for approximately twenty-five years. The database places companies on a level playing field by applying consistent accounting restatements and valuation assumptions. The database enables Stanley Capital to rank individual stocks and long-short pairs based on appreciation potential to intrinsic value. The intrinsic value database is the principal source of investment ideas and Stanley Capital believes it is an important advantage. Investment screens, proprietary models, investment technology and third-party quantitative models augment idea generation. Stanley Capital also maintains professional relationships with other fund managers, brokers, sell-side analysts and industry contacts to provide an additional context to Stanley Capital's research.
- **Financial Analysis:** Stanley Capital performs rigorous financial and accounting analysis, which often involves the creation of detailed financial models and restating historic GAAP financial statements into economic financial statements that permit more revealing business analysis and more reliable intrinsic value estimates. In the evaluation of a company's securities, Stanley Capital analyzes company SEC filings, pertinent public materials, SEC filings of competitors, Wall Street research and conducts interviews with industry experts and company management when relevant. Stanley Capital believes that the Principal's skill and experience in research and financial statement analysis constitutes an important advantage.
- **Long-term Horizon:** Stanley Capital believes its longer investment time horizon and extensive experience conducting an independent research process designed for long term

investing is an important advantage. Stanley Capital's due diligence process is centered on the belief that there is little information edge remaining in short-term business analysis. Wall Street research, regulatory changes, company disclosure practices and the evolution of industry trading capabilities have made the market highly information efficient. Consequently, Stanley Capital's research efforts are concentrated on uncertainties surrounding long-term value drivers and business fundamentals.

The security selection process is bottoms up and opportunistic in nature but the portfolio construction process incorporates both issuer risk and a variety of macroeconomic and other risks. The overall architecture of the portfolio is determined by an analysis of equity valuation levels and spreads, credit spreads, monetary policy environment, the term structure of interest rates and other factors. For example, the Stanley Capital might be 100% net long through a 130 long/30 short portfolio when spreads are wide or tightening and equity valuations are attractive. Alternatively, the Stanley Capital might have lower net exposure or a short bias or posture when equity valuations are elevated, spreads are tight and monetary policy is tightening.

Stanley Capital's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective investors should carefully review the risks described in the Fund's Offering Documents.

Reliance on Key Persons. The Fund will be substantially dependent on the services of the Principal. In the event of the death, disability, departure or insolvency of the Principal, or the complete transfer of his interest in the General Partner and/or Investment Manager, the business of the Fund may be adversely affected. To mitigate this risk, the Fund has established a contingency plan and assigned a liquidator to liquidate the portfolio and promptly return capital to investors following the final audit. The Principal will devote such time and effort as he deems necessary for the management and administration of the Fund's business. However, the Principal may engage in various other business activities in addition to managing the Fund, and consequently, he may not devote his complete time to Fund business.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions, the Fund generally will not disclose its positions to Limited Partners on an ongoing basis, although the Investment Manager, in its sole discretion, may permit such disclosure if the Investment Manager determines that there are sufficient confidentiality agreements and procedures in place.

Possible Effect of Substantial Withdrawals. Substantial withdrawals of Interests could require the Fund to redeem or liquidate its investments more rapidly than otherwise desired in order to raise the cash necessary to fund the withdrawals. Illiquidity in certain markets could make it difficult for the Investment Manager to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the Fund.

Withdrawal Restrictions. There are severe restrictions on withdrawals from the Fund (which may be settled in securities rather than cash) and on transfers of Interests in the Fund. The prior written consent of the General Partner is required for a transfer of the Interest of any Limited Partner. Because of the restrictions on withdrawals and transfers, an investment in the Fund is a relatively

illiquid investment and involves a high degree of risk. A subscription for Interests in the Fund should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

In-Kind Distributions. There can be no assurance that the Fund will have sufficient cash to satisfy withdrawal requests or will be able to liquidate investments at the time of such withdrawal requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the General Partner, a Limited Partner may receive in-kind distributions from the Fund's portfolio.

Absence of Registration. While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Company Act, or the laws of any country or jurisdiction and, accordingly, the provisions of the Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable. Because assets of the Fund held by custodians or brokers are generally not held in the Fund's name, a failure of any such custodians or brokers is likely to have a greater adverse impact on the Fund than if such assets were registered in the Fund's name.

No Distributions. Since the Fund does not generally intend to pay distributions, an investment in the Fund is not suitable for investors seeking current distributions of income. Moreover, an investor is required to report and pay taxes on its allocable share of income from the Fund, even though no cash is distributed by the Fund.

Investment Judgment; Market Risk. The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Fund, there is always some, and occasionally a significant, degree of market risk.

Investments by a Client in certain equity and other securities involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Potential investors should carefully review the risks described in the Fund's Offering Documents.

Short Sales. The Fund may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Fund that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental

investment considerations would not favor such sales.

Leverage. Subject to applicable margin and other limitations, the Fund may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Fund's portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Fund and will affect the operating results of the Fund. Also, the Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

Concentration of Investments. The Investment Manager has broad discretion over the Fund's investment program and may choose to allocate substantial portions of the Fund's assets to a particular investment. Such an occurrence may tend to result in more rapid changes in the Fund's portfolio, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Fund's capital. The Investment Manager may also make similar market timing decisions and asset allocation decisions regarding the investments or some combination of other strategies.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund's portfolio securities will be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the

U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Non-U.S. Exchanges, Markets and Currencies. The Fund may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets involves certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of such exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on such exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges in general, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Certain markets and exchanges in non-U.S. countries have different clearance or settlement procedures that may expose the Fund to losses. Trading on non-U.S. markets is also subject to the risk of fluctuations in the exchange rate between the local currency and the U.S. dollar and to the possibility of exchange controls.

Investment in Emerging Markets. The Fund may invest in both developed and emerging markets. Investments in emerging market instruments, while generally providing greater potential opportunity for capital appreciation and higher yields than investments in more developed market instruments, may also involve greater risk. Emerging markets may be subject to economic, social and political risks not applicable to instruments of developed market issuers, such as repatriation, exchange control or other monetary restrictions, taxation risks, and special considerations due to limited publicly available information, less stringent regulatory standards, and lack of uniformity in accounting.

Currency Risk. The Fund may invest its capital in, among other things, securities denominated in currencies other than the U.S. dollar and in other financial instruments the prices of which are determined with reference to currencies other than the U.S. dollar. The Fund values its securities and other capital in U.S. dollars and may hedge its currency exposure. However, to the extent that currency risk is unhedged, the value of the Fund's capital will fluctuate with the U.S. dollar exchange rate, as well as with price changes of the Fund's investments in various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Fund makes its investments will reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the Fund's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Fund's non-U.S. dollar securities. The Fund also may utilize forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Small to Medium Cap Stocks. The Fund may invest a portion of its assets in the stocks of companies with small- to medium-sized market capitalizations that the Investment Manager believes have potential for capital appreciation significantly greater than that of the market averages. The companies may have limited product lines, markets or financial resources and may be dependent on a limited management group. Such stocks, particularly small- capitalization stocks, involve higher risks than do investments in stocks of larger companies.

For example, prices of small-capitalization, and even medium-capitalization, stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be illiquid.

Investing in securities and derivatives involves risk of loss that Fund investors should be prepared. There can be no assurance that the Fund's objective will be achieved or that the investment strategies Stanley Capital employs will be successful. Investors must be prepared to lose all or substantially all of their investment in the Fund. The past performance of a Fund is not indicative of its future performance.

For a detailed description of the risks of the investment strategies employed by the Fund, please see that Fund's Offering Documents.

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 the adviser or the integrity of adviser's management.

There are no legal or disciplinary events with respect to an evaluation of Stanley Capital's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

Stanley Capital is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of Stanley Capital are registered representatives of a broker-dealer.

Neither Stanley Capital nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Stanley Capital has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Clients.

Stanley Capital does not recommend or select other investment advisers for its Clients.

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

Code of Ethics and Personal Trading Policy

Stanley Capital has adopted a set of policies intended to better align the interests between the General Partner and the Limited Partners of the Stanley Partners Fund. These policies include:

- No management fee or other asset-based fee that incentivizes asset growth
- A written agreement where the General Partner will maintain the substantial majority of his net worth in the Fund to mitigate risk-seeking behavior
- A commitment to limit the number of investors and size of Fund assets to ensure return on partners' capital remains our primary economic incentive
- No separately managed accounts, other investment strategies or lines of business that create a conflict or need to allocate trades, research activities or Fund expenses

In addition, Stanley Capital has adopted a code of ethics and personal trading policy ("Code of Ethics"). Stanley Capital prohibits employees from using or attempting to use their position at Stanley Capital to obtain improper benefits for themselves or any other person and the Managing Partner has committed to no common stock investing outside the Fund and monitoring employee personal trading practices.

Stanley Capital's Code of Ethics permits employees to invest for their personal accounts, subject to certain guidelines and restrictions. All personal securities transactions by Access Employees must be conducted in accordance with the requirements of Stanley Capital's Code of Ethics. Among other things, Stanley Capital's policies require that certain personal securities transactions by employees be approved in advance by Stanley Capital's compliance department. Access Employees must report certain personal securities holdings upon employment and periodically thereafter and arrange for certain duplicate confirmations and account statements to be sent to Stanley Capital's compliance department.

Stanley Capital has also adopted policies and procedures designed to prevent employees from being unduly influenced in their decisions by receipt of gifts, entertainment or other inducements by third parties, such as trading counterparties, vendors or investors. Stanley Capital will provide a copy of its Code of Ethics to any investor or prospective investor upon request.

Outside Activities

Stanley Capital employees may be active in and serve on the management committees or boards of directors of various organizations or companies. Stanley Capital employees may serve on the board or in other capacities of an issuer in which a Fund invests or may invest. Such employee could have a conflict of interest between discharging their obligation in such capacities and acting in the interest of the Fund.

The Funds do not limit Stanley Capital's ability or any related person's ability to form or manage other funds or accounts of any nature whatsoever. There are no limitations on Stanley Capital's ability or any related person's ability to engage in other business or investment activities, whether related or unrelated to the Funds.

Stanley Capital and its related persons are not subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Funds, or any restrictions on the nature or timing of investments for Fund, Stanley Capital's proprietary accounts or Stanley Capital's related person's proprietary accounts. Stanley Capital's owners and employees are not obligated to devote any specific amount of time to the affairs of Stanley Capital or the Funds, and they are not required to accord any exclusivity or priority to any Fund or account in the event of "limited availability" investment opportunities and, as a result, conflicts of interest may arise.

Insider Trading

By reason of Stanley Capital's or its related person's business or investment activities, such may acquire confidential information or otherwise be restricted in their investment activities, and, in such event, Stanley Capital and such related persons may not be free to act upon such confidential information. Due to such confidential information or restrictions, Stanley Capital may not initiate a transaction for a Fund or account that Stanley Capital may otherwise have initiated, and the Fund or account may, as a result, be required to maintain a position that it otherwise might have sold, or be required to refrain from acquiring a position that it otherwise may have acquired.

Item 12 - Brokerage Practices

Stanley Capital has complete discretion to determine, subject to each Fund's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for the Funds, and the commission rates to be paid for such transactions.

Brokerage

Stanley Capital selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Fund. Stanley Capital seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, Stanley Capital may cause the Fund to enter into arrangements pursuant to which the Fund pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. Stanley Capital is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by the Fund may be cleared through, and the Funds' investment instruments may be held by, a number of financial institutions Stanley Capital selects on terms negotiated with each such financial institution individually. Subject to Stanley Capital's agreement with the Fund, Stanley Capital generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm.

Soft Dollars

Stanley Capital does not have any soft-dollar relationships.

Execution-only brokers and custodians provide Stanley Capital with access to their institutional trading, custody, lending, reporting and related services. These services are not soft dollar arrangements but are part of the institutional platform offered to institutional clients. Stanley Capital is not affiliated with any broker.

A portion of the commissions generated on the Fund's brokerage transactions may generate "soft dollar" credits that Stanley Capital is authorized to use to pay for research and other non-research related services and products used by Stanley Capital or its affiliates. Stanley Capital may enter into "soft dollar" arrangements with one or more broker-dealers whereby Stanley Capital will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although Stanley Capital will use the research and services in making investment decisions for the Fund, Stanley Capital may use such research or services for other funds or accounts, if applicable, and the applicable Fund will generally pay more than the lowest available commissions for execution of these transactions. Stanley Capital may also enter into "soft dollar" arrangements to cover Fund expenses or costs and expenses of Stanley Capital to the extent such arrangements are permitted by law.

Stanley Capital has authority, but currently does not use "soft dollar" credits generated by

the Fund's securities transactions to pay for expenses that might otherwise have been borne by Stanley Capital. In the event that Stanley Capital elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934 or such services that are otherwise reasonably related to the investment decision-making process.

The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as market data services).

Order Aggregation

Stanley Capital currently acts as investment advisor to only the Fund. Consequently, Stanley Capital does not aggregate the purchase and sale of securities for multiple clients.

Item 13 - Review of Accounts

Stanley Capital is responsible for reviewing Fund investment portfolios. Stanley Capital performs intraday, daily, weekly or monthly reviews of Fund positions as it deems appropriate. Performance, security positions and investment opportunities are among some of the matters that may be reviewed.

The Fund provides to investors audited annual financial statements, periodic unaudited performance reports and all tax information relating to their investments in the Fund necessary for U.S. federal income tax purposes.

Item 14-Client Referrals and Other Compensation

Stanley Capital does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.

Third Party Solicitors

Stanley Capital may enter into agreements with certain placement agents that provide for compensation to be paid to the placement agent for referring investors to the Funds. Stanley Capital currently uses Pickwick Capital Partners, LLC for third-party marketing. In the event that Stanley Capital chooses to engage a placement agent in the future, all current and future solicitation arrangements will be in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. The Fund and its underlying investors will not be responsible for any of the fees paid to the placement agents.

Item 15 - Custody

Stanley Capital may be deemed under Rule 206(4)-2 of the Advisers Act to have custody of the assets of the Fund by virtue of its control of the general partner of the Fund. The Fund's assets and securities are held by qualified custodians. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review such statements.

Item 16-Investment Discretion

Stanley Capital exercises discretion in managing the investments of the Fund, based on the Fund's investment objectives, policies and strategies disclosed in its Offering Documents. The limitations on such authority are described in the Fund's Offering Documents.

Stanley Capital contractually assumes discretionary authority over the assets of the Fund under an investment management agreement entered into among Stanley Capital, the Fund and Stanley Partners GP.

Item 17 - Voting Client Securities

Stanley Capital follows a proxy voting policy to ensure that proxies the firm votes, on behalf of the Fund, are voted to further the best interest of the Fund. The policy establishes a mechanism to address any conflicts of interests between the Stanley Capital and the Fund. Further, the policy establishes how the Fund investors may obtain information on how the proxies have been voted.

Stanley Capital determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. Stanley Capital votes proxies in a manner that it believes reasonably furthers the best interests of the Fund's and their investors and is consistent with the investment philosophy as set forth in the Fund Offering Documents.

If a proxy vote creates a material conflict between the interests of Stanley Capital and the Fund, Stanley Capital will resolve the conflict before voting the proxies. Stanley Capital will take steps designed to ensure that a decision to vote the proxy was based on the Stanley Capital's determination of the Fund's best interest and was not the product of the conflict.

Stanley Capital maintains records of (i) all proxy votes that are made on behalf of the Fund; (ii) all written requests from Fund investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to the Fund investors upon request.

Item 18 – Financial Information

Stanley Capital does not require or solicit prepayment of more than \$500, six months or more in advance.

Stanley Capital does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Fund.

Stanley Capital has not been the subject of a bankruptcy petition at any time during the past ten years.