

# **Starr Investment Holdings, LLC**

## **Firm Brochure**

399 Park Avenue, 17<sup>th</sup> Floor  
New York, NY 10022  
(212) 230-5074  
[www.starrholdings.com](http://www.starrholdings.com)

**March 31, 2022**

This brochure provides information about the qualifications and business practices of Starr Investment Holdings, LLC. If you have any questions about the contents of this brochure, please contact us at 646-227-6677. 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.

Additional information about Starr Investment Holdings, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Starr Investment Holdings, LLC is a registered investment adviser. Registration with the SEC as an investment adviser does not imply that Starr Investment Holdings, LLC possesses a certain level of skill or training.

## **Item 2 – Material Changes**

Starr Investment Holdings, LLC filed its previous annual amendment to this brochure in March 2021.

Starr Investment Holdings, LLC is in the process of winding down its investment advisory business. As of December 31, 2021, Starr Investment Holdings, LLC is only managing a single investment on behalf of a private fund client, and this asset has been sold. The deal is expected to close pending regulatory approval during the second quarter of 2022. Once the deal closes, Starr Investment Holdings, LLC will promptly file its Form ADV-W and withdraw its registration as an investment adviser. Accordingly, Starr Investment Holdings, LLC has made updates throughout this brochure to reflect the wind-down of its advisory business and the current state of the advisory services it is providing to its clients. Investors are encouraged to read this brochure in its entirety.

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## Item 4 – Advisory Business

### A. General Description of Advisory Firm.

Starr Investment Holdings, LLC (“**SIH**” or the “**Adviser**”), is a Delaware limited liability company that was formed in January 2012. SIH and its relying adviser affiliate, SIH GRC Holdco GP, LLC, provide advisory services to and/or receive advisory fees from the Fund (defined below). SIH is in the process of winding down its investment advisory business.

SIH is wholly owned by C.V. Starr & Co., Inc., a private holding company with a substantial portfolio of global investments. C.V. Starr Ownership Co., LLC (“**Starr Ownership**”) is the sole principal owner of C.V. Starr & Co., Inc.’s voting securities and is controlled by its board of managers as disclosed in Schedule B of SIH’s Form ADV Part 1A. Members of Starr Ownership’s board of managers do not direct the management, policies or investment advisory activities of SIH.

### B. Description of Advisory Services.

SIH maintains investment management agreements to provide discretionary and non-discretionary investment advice to C.V. Starr & Co., Inc. and C.V. Starr & Co., Inc. Trust (collectively, “**C.V. Starr**”), and to Starr International Company, Inc. and its subsidiaries (collectively, “**Starr International**,” and, together with C.V. Starr, “**Starr**”). Certain of these entities are investors in a portfolio company held by the Fund (defined below), and this portfolio company investment will continue to be monitored by SIH until the investment is sold, which is anticipated to occur during the second quarter of 2022. Otherwise, SIH is not currently managing any other investments or making any investment recommendations to Starr or any third parties and, as noted above, is in the process of winding down its advisory business. Accordingly, this brochure generally reflects the investment advisory activities relating to the private fund which is currently selling its last portfolio company investment and being actively managed by SIH, as detailed below.

Currently, SIH provides investment advisory services to one investment vehicle (the “**Fund**”) that is exempt from registration under the Investment Company Act of 1940, as amended (the “**Company Act**”), and the securities of which are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”).

While SIH shall not make new investments for the Fund, SIH’s advisory services generally consisted of investigating, identifying and evaluating private equity investment opportunities, as well as structuring, negotiating and making investments in portfolio companies, managing and monitoring the performance of such portfolio companies, and disposing of such investments. Portfolio company investments were effected through privately negotiated investment instruments and typically involve unregistered equity securities and/or debt securities. Portfolio company investments were typically, but not always, leveraged.

For investment advice provided to Starr, SIH formed investment recommendations for Starr, and Starr then assessed those recommendations and made independent decisions on whether or not to participate in a particular transaction. Following the initial investment, SIH generally had discretionary authority from Starr to provide continuous management and oversight of the specific transaction, to exercise discretion with respect to matters submitted to interest holders, and to cause one or more designees of SIH to serve as a director (or equivalent) of a portfolio company. With

respect to other exit transactions for Starr, other than public securities, SIH formed investment recommendations for Starr, and Starr then assessed those recommendations and made independent decisions on whether or not to participate.

SIH provides investment advisory services in accordance with an investment management agreement (the “**Advisory Agreement**”), the governing agreement (such as a limited partnership agreement or analogous organizational document) of the Fund (each, an “**Organizational Document**”) and/or side letters with investors in the Fund (each a “**Side Letter**” and, together with the Advisory Agreements and the Organizational Documents, the “**Governing Documents**”). Investment advice is provided directly to the Fund (subject to the discretion and control of the applicable general partner (“**General Partner**”) or sub-adviser, if applicable) and not individually to the investors in the Fund. Investment restrictions for the Fund, if any, are generally established in the Governing Documents or offering documents of the Fund.

#### **C. Availability of Tailored Services for Individual Clients.**

SIH tailors its advisory services to the Fund and not the underlying investors in the Fund. SIH’s advisory services are provided in accordance with the terms of the Fund’s Governing Documents.

#### **D. Wrap Fee Programs.**

SIH does not participate in wrap fee programs.

#### **E. Client Assets Under Management.**

As of December 31, 2021, SIH had regulatory assets under management of \$714,788,725 on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Advisory Fees and Compensation.**

Certain clients are charged a management fee (“**Management Fees**”) based upon a percentage of assets under management, as provided in each relevant client’s investment management agreements.

With respect to private equity investments, SIH obtained and retained additional fees customary for such private equity and related transactions, including, but not limited to, transaction fees, monitoring fees, directors’ fees, and exit fees (“**Supplemental Fees**”). SIH also received equity incentives in forms including, but not limited to, warrants and options in certain underlying portfolio companies in which clients invest. However, SIH is not currently making any new investors and will not receive Supplemental Fees.

The Fund is charged a performance-based fee (carried interest), as described in *Item 6 – Performance-Based Fees and Side-By-Side Management*. Management Fees and carried interest paid by the Fund are borne indirectly by investors.

### **B. Payment of Fees.**

Management Fees are billed directly to clients, or indirectly through the Fund, and generally payable quarterly in arrears.

### **C. Other Fees and Expenses.**

SIH is not currently making new investments on behalf of any clients. Accordingly, certain expenses described below are no longer incurred, but were applicable in the past. In addition, certain expenses are still being incurred on behalf of the Fund, still being managed by SIH.

Consistent with the Fund Governing Documents, SIH incurs or previously incurred expenses (including, without limitation, travel expenses, which may include expenses for first class, business class or chartered travel, lodging, and other out-of-pocket costs and expenses for the performance of certain services, which may include amounts paid to consultants), and a portfolio company reimburses SIH for such expenses incurred by SIH in connection with its performance of services for such portfolio company; those reimbursed expenses generally are not included in the definition of Portfolio Company Fees (defined below), as discussed above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, see *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest*, and *Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading* for additional information. From time-to-time, SIH expects to retain or assist a portfolio company in retaining, other companies or individuals, including third parties such as consultants or external executives, to provide strategic advice, operational support or other services. Such services would likely include support to the portfolio company in respect of, among other things, the company’s management, the company’s operations, revenue and margin enhancement (including determining sales and marketing strategy), finance (including metrics and reporting), human resources (including executive recruitment), information technology, customer service, real estate matters, intellectual property matters and other operational matters. SIH also reserves the right to engage and/or retain

senior advisors, industry advisors, consultants, and other professionals who are not employees or affiliates of SIH and who, from time-to-time, receive payments for such services from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by SIH or its affiliates.

Additionally, as further described herein and in the Governing Documents, it was SIH's practice to employ, use or retain certain Operating Partners (as defined below) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Operating Partners generally provide services in relation to the identification, acquisition, holding, improvement, and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating Partners receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, profits, participation or equity interest in a portfolio company or holding company, incentive equity, stock awards, carried interest, and profits or equity interests in one or more Funds or General Partners, remuneration from SIH and/or its Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operating Partners, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Operating Partners will generally be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of Operating Partners subjects SIH to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

The Fund will reimburse SIH for certain transaction-related expenses, including but not limited to expenses associated with legal, investment banking, consulting, accounting, due diligence, brokerage services, travel expenses, including first and business class service and chartered travel, and expenses relating to board service. At such time SIH was currently seeking new investments on behalf of its clients, certain clients were also expected to reimburse SIH for out-of-pocket expenses associated with transactions that were actively considered but not consummated ("**Broken Deal Expenses**"), as provided for in each Fund's Governing Documents, including those in which co-investment capital was determined to be necessary to make the investment. In such cases, SIH generally expected that any Broken Deal Expenses were borne by the client or clients that were to have invested in such transactions and not by any such potential co-investors. However, to the extent that such co-investors had already invested in a co-investment or other vehicle in connection with such transaction, such vehicle was expected to bear its share of such Broken Deal Expenses.

The Fund generally will bear the costs of implementing, monitoring, and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the Governing Documents, the Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Fund likely bears additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

SIH makes relatively infrequent use of the services of broker-dealers to effect portfolio transactions for clients; however, when SIH used a broker-dealer, applicable clients incurred brokerage and other transaction costs. SIH's brokerage practices are discussed in *Item 12 – Brokerage Practices* of this brochure.

#### **D. Prepayment of Fees.**

For any client that pays or paid SIH in advance, if an advisory arrangement is terminated prior to a specified end of term, any prepaid Management Fees will be returned to clients on a pro-rata basis.

#### **E. Additional Compensation and Conflicts of Interest.**

SIH and its employees serve on boards of directors and perform management, advisory, transaction-related, financial advisory, and other services (“**Related Services**”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds (both current and previously existing), including fees in connection with mergers, acquisitions, add-on or follow-on acquisitions, re-financings, restructurings, recapitalizations, public offerings, sales and other transactions (collectively, “**Portfolio Company Fees**”). Portfolio Company Fees may be retained by SIH in whole or in part, in addition to Management Fees, performance-based fees and/or carried interest, in each case as negotiated with specific clients. The receipt of such fees, compensation, incentives or Portfolio Company Fees as discussed above, give rise to potential conflicts of interest between the clients and SIH and/or its affiliates. See *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest* and *Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading* for additional information.

SIH is no longer seeking investment opportunities for the Fund. Previously, to the extent that SIH personnel were assigned varying percentages of carried interest from the Funds, such personnel were subject to potential conflicts of interest, to the extent they were involved in identifying investment opportunities as appropriate for Funds from which they were entitled to receive a higher carried interest percentage. SIH sought to address the potential for conflicts of interest in these matters with allocation policies that provided that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that did not include the amount of performance-based compensation received by SIH or any personnel.



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

SIH, or an affiliate of SIH, collects performance-based compensation with respect to particular investments. This will be in the form of carried interest based on a percentage of realized gain (in certain cases, subject to a performance threshold). Performance-based compensation may also take the form of equity awards or compensation in the portfolio company in which a client invests.

The performance-based compensation described has the potential to create an incentive to recommend investments that are riskier or more speculative than would be the case absent this performance-based compensation.

SIH is not currently making new investments on behalf of clients. Previously, the payment of performance-based compensation by some (but not all) clients or the payment of performance-based compensation at varying rates had the potential to create an incentive to favor clients that paid performance-based compensation or paid that compensation at higher rates. See *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest*, and *Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading* below for additional information relating to how SIH generally addressed these conflicts of interest.

## **Item 7 – Types of Clients**

Currently, SIH only provides investment advisory services to a single Fund. Investment advice is provided directly to the Fund (subject to the discretion and control of the applicable General Partner, if applicable) and not individually to investors in the Fund. Interests in the Fund were offered pursuant to applicable exemptions from registration under the Securities Act and the Company Act. Similar to the previous Funds, Investors in the existing Fund are generally qualified purchasers under the Company Act and includes, among others, corporations, institutional investors, governmental entities, sovereign wealth funds, endowments, pension or similar plans, ultra-high net worth family offices, ultra-high net worth individuals, and from time-to-time include, directly or indirectly, principals or other employees of SIH and its affiliates and members of their families, Operating Partners or other service providers retained by SIH, as well as executives of portfolio companies. SIH generally did not require a minimum commitment and minimum commitments, if any, would have been reflected in the Fund's Governing Documents.

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

### **A. Methods of Analysis and Investment Strategies.**

SIH is not currently making new investments on behalf of its clients. However, SIH utilized a variety of methods to analyze potential and existing investment opportunities. These methods varied depending on the nature of the investment opportunity.

#### *Private Equity Investments*

SIH provided advisory services to the Fund, generally consisting of investigating, identifying, and evaluating private equity investment opportunities, structuring, negotiating, and making investments in portfolio companies, managing and monitoring the performance of such portfolio companies and disposing of such investments. Currently, SIH actively monitors the remaining portfolio company of its Fund.

In identifying, originating, and evaluating potential private equity investments, SIH utilized a number of analytical methods to assess the potential investment. These methods focused on the target company's (i) industry fundamentals; (ii) market positioning and competition; (iii) financial valuation, including comparable company analysis, comparable transaction analysis, and discounted cash flow analysis; (iv) management capability; (v) operational, marketing, legal, tax, labor, environmental, and accounting factors; (vi) key business risks; (vii) governance and control; (viii) exit options and timing; (ix) possible synergies with the presence of C.V. Starr and Starr International in existing and emerging markets worldwide (not applicable to multiple investment, blind-pool Funds); and (x) other factors. Investments pursued primarily due to possible synergies with Starr typically would not have been made available to other persons for co-investment.

### **B. Risk of Loss**

Although all investments in securities involve risk of loss that investors must be prepared to bear, SIH's significant investment strategies and methods of analysis involve the material risks outlined below. While SIH is not making new investments on behalf of the Fund, such risks existed at the time SIH deployed its investment strategies and may continue to exist today.

#### *Reliance on Financial Projections*

SIH's recommendations are based on financial and other projections. Those projections are estimates of future results and depend on various assumptions. Actual results may vary from projections, and the projected performance results of clients' investments may not be attained. Various factors that cannot be predicted, including general economic conditions and changes in debt markets, may materially and adversely affect SIH's strategy and clients' performance.

### *Reliance on Key Investment Personnel*

The performance of each client's investments will depend in part upon the skill and expertise of SIH's investment professionals. There can be no assurance that these professionals will continue to be associated with SIH throughout the life of a client's relationship with SIH or the duration of SIH's investment in any given portfolio company. The loss of the services of these key personnel could impair SIH's ability provide services to its clients and could adversely affect their performance.

### *Portfolio Company Management*

The day-to-day operations of each portfolio company acquired upon the advice of SIH will be the responsibility of that company's management team. Although SIH will monitor the management team, there can be no assurance that the existing management team or any new management team will successfully execute SIH's plans for the company or remain with the portfolio company for the duration of the investment.

### *Illiquidity*

Many of the investments managed by SIH will be illiquid, and there can be no assurance that any gains on the investments will be realized in a timely manner. Although the investments may generate some current income, any return of capital and realization of gains will occur only on disposition or refinancing of the investments.

### *Financial Market Uncertainty*

Global financial markets have frequently experienced periods of volatility. There can be no assurances that changes in these markets will not adversely affect the portfolio companies or other investments recommended by SIH, including access to capital and overall performance. General fluctuations in the market prices of securities may also affect the value of the Fund's investments.

### *Public Health Emergencies; COVID-19.*

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19 (as defined below), have resulted in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations, and deaths. In an effort to contain COVID-19, national, regional, and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing

certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases, a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports, and entertainment.

The ultimate impact of COVID-19 — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition, and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund’s and its portfolio company’s operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality, and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence, and execute new investments and to manage, finance, and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal, and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio company, the General Partner and SIH may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel. These measures

may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

#### *Increased Scrutiny of Private Equity Firms; Changes in Laws or Regulations*

There has been, and will likely continue to be, significant discussion of increased regulation and/or oversight of the private equity industry by regulators, legislators, media, and public commentators. If such increased regulation or increased scrutiny is ultimately affected, there can be no assurance that it will not adversely affect SIH or the investment performance of its clients. Increased regulation or increased regulatory or governmental scrutiny also could delay or endanger the consummation of investment transactions by SIH for its clients or investors in clients. In addition, changes in laws or regulations not specifically directed at the private equity industry also may adversely affect the performance of SIH's investment strategies. For example, proposals to eliminate the tax deductibility of certain interest payments could reduce the leverage available to SIH in structuring certain portfolio company investments, which could restrict the profitability of such investments to SIH's clients.

#### *Currency and Exchange Rates*

Certain of SIH's investments and the income they generate are denominated in foreign currencies. Changes in currency exchange rates may adversely affect the value of those investments in a client's base currency, the interest and dividends they produce, and any gains and losses realized on their sale.

#### *Investments in Non-U.S. Companies*

SIH has made investments in companies outside the U.S., including in emerging markets. These investments involved risks different from those associated with investments in United States, including greater government control over the economy, political and legal uncertainty, and currency fluctuations. Economic and political risks include potential exchange controls, restrictions on non-U.S. investments and capital repatriation, expropriation or confiscatory taxation, and general economic, political and social instability. Legal risks include differences in uniform financial reporting standards, ineffective government oversight and regulation, and underdeveloped corporate governance and investor-protection laws. Investments in non-U.S. companies may also have been affected by differences between the U.S. and non-U.S. securities markets, including price volatility and relative illiquidity of non-U.S. markets.

#### *ERISA Obligations*

Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although

SIH intends to manage the Fund's investments to minimize any such exposure, the Fund may have invested in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

### *Lack of Unilateral Control*

Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances, it may not have unilateral control of the portfolio company. To the extent the Fund(s) invested alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or made a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners or members. Such third parties may be in a position to take action contrary to the Fund's business, tax, or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, the Funds generally sought to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

### *Impact of Government Regulation, Reimbursement and Reform*

Certain industry segments in which the Fund or previous funds may have invested, including various segments of the healthcare, financial services, and telecommunications industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intended to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, financial services, and telecommunications industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund may have invested.

### *Other Risks*

Investments made by SIH will be subject to a variety of macro-level economic, political and financial risks that are beyond the control of SIH. These risks include uninsured or uninsurable

casualties, acts of God, terrorist attacks, war and other economic, political, and financial events that may negatively affect these investments.

### *Use of Leverage*

The investment strategy is permitted to rely on leverage for some investments. To the extent the portfolio companies have taken on debt, investments in those companies will present a greater opportunity for capital appreciation, but will also involve a higher degree of risk. The leveraged capital structure of the portfolio company will increase investors' exposure to any deterioration in the companies' circumstances, including unfavorable marketing or economic conditions, operating problems, interest rate increases, and other general business and economic challenges. If the portfolio company becomes unable to service its debt obligations, investors may suffer a partial or total loss of their invested capital.

### *Cybersecurity Risk*

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that the portfolio company is subject to cyber-attack or other unauthorized access is gained to the portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, the portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet or cloud-based programs, technologies, and data storage applications generally heighten these risks. Any of such circumstances could subject the portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state, or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at SIH or one of its service providers holding its financial or investor data, SIH, its affiliates or the Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks under SIH's policies and practices.

### *Risk of Minority Investments*

SIH is no longer making new investments. Previously, SIH preferred to make control or influential minority investments. SIH may have from time-to-time made or recommend minority investments in portfolio companies with respect to which SIH had no right or ability to exert significant influence over the management or operations of such companies. In such cases, SIH would have been reliant on the directors and/or management of the portfolio company, which may include representatives



of other investors, the interests of which may not align with, or may directly conflict with, the interests of SIH's clients or investors in clients.

*Material Non-Public Information; Other Regulatory Restrictions.*

As a result of the operations of SIH and its affiliates, SIH has come and may still come into possession of confidential or material non-public information. Therefore, SIH and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or SIH's internal policies and practices.

Similarly, anti-money laundering, anti-boycott, economic and trade sanction laws, and regulations in the United States and other jurisdictions may prevent SIH or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations, and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time-to-time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice, and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain past circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may have precluded other Funds from making an attractive acquisition or required one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, the Fund may be or may have been adversely affected because of SIH's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent the Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by SIH, or may limit the ability of the portfolio company from conducting their intended business in whole or in part.

**C. Conflicts of Interest**

SIH and its related entities engaged in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management, and other services to Funds and portfolio companies. SIH has devoted and will still devote such time, personnel, and internal resources as are necessary to conduct the business affairs of the Fund in an appropriate manner, as required by the relevant Organizational and Governing Documents, although the Fund and its respective

investment(s) will place varying levels of demand on these over time. In the ordinary course of SIH conducting its activities, the interests of the Fund conflicted with the interests of SIH, portfolio companies, or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. Note that many of these conflicts may no longer be relevant while the Fund is winding down. Nonetheless, if any such conflict continues to exist or arises during such winddown process, SIH will determine how to address such conflict using its best judgment considering all factors it deemed relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committee of the participating Fund.

A portfolio company typically will reimburse SIH or service providers retained at SIH's discretion for expenses (including without limitation travel expenses) incurred by SIH or such service providers in connection with its performance of services for such portfolio company. This subjects SIH and its affiliates to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. SIH determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in the Fund, their effect may be reflected in the Fund's audited financial statements, and any fee paid or expense reimbursed to SIH or such service providers generally is subject to: agreements with or review by sellers, buyers, and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

SIH generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with certain service providers, and from time-to-time such service providers are expected to include: (i) SIH or a related person of SIH (which may include a portfolio company of such Fund), (ii) an entity with which SIH or its affiliates or current or former members of their personnel has a relationship or from which SIH or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where SIH personnel are seconded, or from which SIH receives secondees; or (iii) certain limited partners or members or their affiliates. For example, SIH expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or members or their affiliates that are engaged in lending or related business. This discretion subjects SIH to conflicts of interest because although SIH selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, SIH has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that SIH, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or SIH), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. SIH will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although SIH generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived

sector competence or expertise, familiarity, onboarding speed, or other factors in retaining or recommending service providers. In certain circumstances where SIH commits or has committed to seek “market” or “arms-length” rates or terms, SIH will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, SIH undertakes no minimum amount of benchmarking and does not represent that any such benchmarking ultimately will be accurate, comparable or relates specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, SIH reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not SIH has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

SIH, its affiliates, and equity holders, officers, principals, and employees of SIH and its affiliates reserve the right to buy or sell securities or other instruments that SIH has recommended to a Fund. In addition, officers, principals, and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund. Such transactions are subject to any restrictions in the Fund’s Governing Document and any policies and procedures set forth in SIH’s Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of SIH have, and are expected to continue to have, capital investments in or alongside the Fund, or in prospective portfolio companies directly or indirectly, and therefore expect to have additional potential conflicting interests in connection with these investments.

In addition, as described above, portfolio companies (and, to a lesser extent, the Fund) typically pay certain fees to operating partners, strategic advisors, and other consultants (including consultants introduced or arranged by SIH and/or its affiliates that regularly provide services to one or more portfolio companies) (“**Operating Partners**”), and such fees do not offset the Management Fee as described herein. Operating Partners generally make use of SIH resources or otherwise are associated with SIH. SIH and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Operating Partners generally receive investment opportunities, reimbursements, and other compensation that do not offset the Management Fee of any Fund, as described herein. Although the use of Operating Partners and the allocation of compensation paid to them by SIH, its affiliates and/or the portfolio companies subjects SIH and/or its affiliates to potential conflicts of interest, SIH believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Fund) that will result if the cost of the Operating Partner is lower than market rates for the services provided and/or if the services of the operating partner align with SIH’s model for the portfolio company and improve portfolio company performance. Although SIH seeks to retain Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. SIH also seeks to reduce

potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that SIH believes will align such persons' interests with those of the Funds' limited partners or members, and seeks to retain only Operating Partners and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when SIH may not otherwise have done so.

SIH and/or its affiliates have in the past entered into Side Letters with certain investors providing such investors with different or preferential rights or terms, including but not limited to different fee structures, (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights, or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Any of these situations subjected SIH and/or its affiliates to potential conflicts of interest. SIH attempted to resolve such conflicts of interest in light of its obligations to investors in its Fund and the obligations owed by SIH's advisory affiliates to investors in investment vehicles managed by them. In the past, SIH attempted to allocate investment opportunities in a manner it believes to be fair and equitable to the Fund and other investment vehicles and/or clients over time. To the extent that an investment or relationship raised particular conflicts of interest, SIH reviewed the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, SIH consulted and received consent to conflicts from a group of limited partners of the Fund.

## Item 9 – Disciplinary Information

Maurice R. Greenberg and Howard I. Smith do not participate in the management of the Adviser or its investment advisory activities, but are considered to be advisory affiliates of the Adviser by virtue of their status as control persons in C.V. Starr Ownership.

In February 2017, Mr. Greenberg and Mr. Smith, without admitting or denying the allegations of a complaint by the New York Attorney General regarding certain accounting transactions entered into by American International Group, Inc. (“AIG”) in 2000 and 2001 when Mr. Greenberg was chairman and chief executive officer of AIG and Mr. Smith was chief financial officer, consented to a stipulation and order of discontinuance with prejudice of an action brought by the New York Attorney General in May 2005 pursuant to New York’s Martin Act and Executive Law § 63(12). The parties agreed to settle that litigation on the basis of the terms recommended by the mediator (Kenneth R. Feinberg, Esq.) on February 10, 2017, that Mr. Greenberg and Mr. Smith issue a specified statement concerning the transactions at issue, that Mr. Greenberg disgorge \$9,000,000 and Mr. Smith agreed to pay \$900,000 of cash bonuses, and that no equitable relief be imposed. For further information, see:

<http://iapps.courts.state.ny.us/iscroll/CaseDetails.jsp?IndexNo=401720-2005>.

In August 2009, Mr. Greenberg, without admitting or denying the allegations of a complaint by the SEC regarding certain accounting transactions by AIG and certain SEC filings made by AIG, of which Mr. Greenberg was chairman and chief executive officer, consented to a judgment enjoining him from violating or controlling any person who violates certain provisions of the Securities Exchange Act of 1934 (the “**Exchange Act**”) and the rules and regulations thereunder, and directing him to pay a penalty of \$7.5 million and disgorgement of \$7.5 million. Without admitting or denying the SEC’s allegations, Mr. Smith consented to a judgment enjoining him from violating the antifraud and other provisions of the federal securities laws and from controlling any person who violates the reporting, books and records, and internal control provisions of the federal securities laws, directing Mr. Smith to pay a penalty of \$750,000 and disgorgement of \$750,000, and prohibiting Mr. Smith from acting as an officer or director of any public company for three years. Mr. Smith also consented to an SEC order suspending him from appearing or practicing before the SEC as an accountant for five years. There was no admission of wrongdoing by Mr. Greenberg or Mr. Smith. For further information, see SEC Litigation Release No. 21170, dated August 6, 2009, available at: <http://www.sec.gov/litigation/litreleases/2009/lr21170.htm>.

In September 2005, claims were brought against AIG, Mr. Greenberg, Mr. Smith, and other AIG officers and directors for violations of the federal securities laws, common law fraud, and negligent misrepresentation relating to alleged accounting fraud at AIG. On May 11, 2012, Mr. Greenberg, Mr. Smith, and three other individual defendants entered into a settlement with the plaintiff, whereby all claims against the individual defendants would be dismissed with prejudice and the individual defendants would pay \$500,000 to the plaintiff. There was no admission of wrongdoing by Mr. Greenberg or Mr. Smith.

In December 2002, shareholder derivative claims were brought against Mr. Greenberg, Mr. Smith, and other AIG officers and directors for breach of fiduciary duty relating to alleged self-dealing

transactions. On September 28, 2008, AIG, plaintiff, and defendants agreed to settle the action for a settlement payment of \$115 million to AIG, consisting of \$85.5 million from the insurers and \$29.5 million from the defendants. There was no admission of wrongdoing by Mr. Greenberg or Mr. Smith.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer Registration Status.**

Neither SIH nor any of its management persons is a registered broker-dealer or registered representative of a broker-dealer.

### **B. Commodities-Related Registration.**

Neither SIH nor any of its management persons is a registered futures commission merchant, commodity pool operator, commodity trading advisor, or associate of any such entities. SIH is exempt from registration as a commodity trading advisor pursuant to Section 4m(3) of the Commodity Exchange Act.

### **C. Material Relationships or Arrangements with Industry Participants.**

Starr International is a private insurance holding company. All of the equity of Starr International is owned indirectly by a Swiss charitable foundation, and the stock of Starr International is owned by 13 persons, four of whom are also directors of C.V. Starr. No person owns more than 8.3% of the voting stock of Starr International. Certain members of the board of directors of Starr International are also directors of C.V. Starr and, in some cases, the regulated insurance company subsidiaries of Starr International. SIH disclaims that it is controlled by Starr International or that it is under common control with Starr International or any of the regulated insurance company subsidiaries of Starr International as disclosed in Schedule D – Miscellaneous.

No management person of SIH is a director or officer of Starr International or its subsidiaries or has any business relationship with these companies. The other directors of C.V. Starr and Starr International do not participate in the business or management of SIH.

In the past, SIH may have considered synergies with the businesses of Starr in evaluating investment opportunities, except in connection with multi-investment, blind-pool Funds. This potential conflict of interest would have been addressed by specific disclosure to clients and investors in clients other than Starr when co-investment opportunities were offered. To the extent that portfolio companies of SIH may have obtained insurance or other services or products from Starr, the portfolio companies would have obtained such services only on arms-length market terms.

In the past, if a portfolio company in which SIH had a controlling investment or was on the board of directors (or equivalent body) of which SIH was represented were to seek to engage in any transaction outside of the ordinary course of business with C.V. Starr, Starr International or any subsidiary of either, SIH would make appropriate disclosure to the applicable clients or to the investors in a client and, if determined to be necessary or appropriate by SIH's Chief Compliance Officer, seek their approval.

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

### **A. Code of Ethics.**

As an investment adviser registered with the SEC under the Advisers Act, SIH has adopted a Code of Ethics (the “**Code**”) that sets forth standards of conduct and requires compliance with federal securities laws and the fiduciary obligations of an adviser to its clients. The Code applies to all persons defined as “**Access Persons**” under SEC Rule 204A-1. The Code outlines policies in several areas, including: standards of conduct and compliance with laws, rules, and regulations; protection of material non-public information; and personal securities trading and reporting.

The Code requires Access Persons to maintain the confidentiality of all confidential or proprietary information regarding SIH, its clients, and its investors, except when disclosure is mandated by law. The Code emphasizes that, under federal securities laws, persons may not trade in securities while possessing material, non-public information concerning the issuer of those securities, nor may persons share that information with others who may trade in that issuer’s securities.

The Code bars SIH and its employees from effecting transactions with a client without full disclosure and informed consent by the client. SIH’s managers, officers, employees, and other Access Persons are also barred from using information about investments or prospective investments recommended by SIH or made by its clients or their ability to influence those prospective investments, for personal gain or in a manner detrimental to the interests of SIH or its clients. The Code further provides that no person may recommend or attempt to cause any transaction for the account of a client in which the person also has a material personal interest.

All Access Persons must periodically report to the Chief Compliance Officer their personal securities transactions and their holdings of securities that are reportable under Rule 204A-1. Access Persons generally must obtain pre-clearance from the Chief Compliance Officer before trading in reportable securities, including initial public offerings and private placements.

All Access Persons are required to promptly report any actual, apparent, or suspected violations of the Code to the Chief Compliance Officer or, in her absence, their immediate supervisor. The Chief Compliance Officer has distributed the Code to each person who is an Access Person. All Access Persons must certify annually that they have been provided a copy of the Code and that they have agreed to be bound by its provisions. An Access Person may be subject to discipline for violations of the Code.

SIH will provide a copy of the Code of Ethics to any client, investor, or prospective client upon request. Such requests may be directed to the Chief Compliance Officer, Thomas Bryan, at [thomas.bryan@starrholdings.com](mailto:thomas.bryan@starrholdings.com).



## **B. Participation or Interest in Client Transactions**

SIH typically did not recommend that its clients invest in opportunities in which it or a related person has a pre-existing, material financial interest. If such a pre-existing, material financial interest were present, SIH would have sought to disclose all material facts about such interest to clients prior to making an investment recommendation. Advisory personnel of SIH, as well as certain Operating Partners, may have from time-to-time co-invested in certain private equity investment opportunities. For certain transactions effected on behalf of Starr, certain advisory personnel of SIH were contractually required to co-invest alongside Starr in such transactions. Such institutional co-investment arrangements with advisory personnel and advisors of SIH generally were not viewed as creating a conflict of interest; rather, they are viewed as aligning the interests of such advisory personnel and advisors with SIH's clients. SIH (or an affiliate) may also obtain a carried interest or other incentive-based compensation in connection with certain investments.

SIH provided discretionary or non-discretionary advice to its clients and investors in clients. Generally, each client or investors within clients would have determined the amount of capital it wanted to contribute to a specific investment; however, investors in multiple investments, blind-pool Funds, typically did not have such discretion, and SIH typically had the discretion to make allocation decisions in respect of such Funds. SIH also may have had discretion in connection with certain single investment Funds to allocate the investment among clients or investors, and/or to make co-investment opportunities available to its senior advisors and industry advisors, as well as to certain senior executives of Starr. To the extent SIH had discretion to make an allocation decision, SIH would have allocated investments among its clients (or its investors within a client) on an investment by investment basis. There was not a pre-established allocation formula for investments by clients or investors; however, SIH sought to ensure that allocations were made in a fair and equitable manner, based on a variety of factors. Such factors may have included, but are not limited to: (i) the amount of capital required for the investment; (ii) the amount of capital available for investment by clients or investors within a client; (iii) applicable regulatory capital requirements or limitations applicable to each client or investor, as applicable; (iv) applicable investment/risk parameters; (v) future capital needs of each client or investor, as applicable; (vi) the tax situation and requirements of each client or investor, as applicable; and (vii) any other information determined to be relevant to the fair allocation of the investment.

## **C. Conflicts of Interest Created by Contemporaneous Trading.**

In the past, to the extent that SIH made an allocation decision for more than one client, or for more than one investor within a client, SIH sought to document the rationale for such allocation. The Chief Compliance Officer periodically reviewed allocation decisions to ensure that allocations were made in a fair and equitable manner.

## **Item 12 – Brokerage Practices**

In the past and as applicable, SIH typically selected the broker to be used in any public securities transactions for clients, regardless of whether SIH was acting on a discretionary or non-discretionary basis. In selecting brokers, SIH considered various relevant factors, including, without limitation, pricing terms offered by the broker, the ability of the broker to deliver prompt and reliable execution, the size and type of the transaction, the market for the securities to be transacted, the broker's familiarity with the securities to be transacted, the broker's operational efficiency, the broker's financial stability, the broker's policies regarding confidentiality, the overall value and quality of the broker's services and other factors determined to be relevant.

SIH does not make arrangements with specific brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from clients' transactions (so-called "soft dollar" arrangements). SIH does not consider whether it receives client referrals from brokers or other third parties in selecting brokers. SIH does not recommend, request or require clients to execute transactions through specified brokers.

SIH will periodically evaluate the overall reasonableness of the brokerage commissions and negotiated terms paid to or made with broker-dealers with respect to client transactions by, among other things, seeking to compare such commissions and terms with the commission rates and negotiated terms being charged by and entered into with other comparable broker-dealers.

SIH is not currently making new investments on behalf of clients. However, in the past, SIH generally aggregated trades among eligible clients. For additional information regarding the allocation of investments among clients, please see *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* above.

### **Item 13 – Review of Accounts**

The Fund managed by SIH continues to hold one investment this is private, illiquid, and long-term in nature. As the remaining investment held by the Fund is currently undergoing a sale process, SIH is no longer conducting formal reviews of the Fund as it has done in the past. Instead, SIH is actively monitoring the sale process on behalf of the Fund and its investors.

## **Item 14 – Client Referrals and Other Compensation**

### **A. Economic Benefits Received from Non-Clients for Providing Services to Clients**

SIH and its advisory personnel do not receive compensation from any person other than SIH's Fund for providing investment advisory services.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

SIH generally does not compensate any third party for client referrals. Any fees payable to any such intermediary would be negotiated on an intermediary-by-intermediary basis and would be disclosed to the investors identified by such intermediary.

## **Item 15 – Custody**

Under Rule 206(4)-2 of the Advisers Act, the Adviser is deemed to have custody of the securities and other assets of the Fund even though the Adviser does not physically hold the securities and other assets, and even though such securities and assets are not held or registered in the Adviser's name. Rule 206(4)-2 imposes certain requirements on registered investment advisers who have actual or deemed custody of client assets; however, the Adviser is exempt from many of the provisions of that rule because the Fund is audited in accordance with US generally accepted accounting principles on an annual basis by Baker Tilly Virchow Krause LLP, an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements are distributed to each investor in the Fund within 120 days of the end of the Fund's fiscal year.

SIH relies on the audit exemption to the custody rule set forth in Rule 206(4)-2(b)(4) under The Investment Advisers Act of 1940. Accordingly, SIH's custodian does not deliver custody account statements directly to investors in the Fund.

## **Item 16 – Investment Discretion**

SIH manages the investments of its remaining Fund on a fully discretionary basis.

## **Item 17 – Voting Client Securities**

SIH is not currently making new investments on behalf of clients and does not currently hold any marketable securities or expects to vote client securities while it monitors the sale of the Fund's final investment. Nonetheless, in the event it is applicable in the future, SIH will vote marketable securities (and vote proxies and consider consents and waivers with respect to privately held securities) as to which it has discretionary authority pursuant to its proxy voting policy (which is available to clients or investors upon request). The proxy voting policy requires SIH, in making voting recommendations or decisions, to act in the best interests of clients and to be attentive to potential conflicts of interest between SIH and clients. If a potential conflict of interest is identified, SIH will consider appropriate steps to mitigate the conflict, which may include disclosure to clients, requesting that clients direct the voting of their securities, or other actions. SIH may determine not to vote a proxy if it determines that not voting is in the best interests of the relevant client. clients may obtain a copy of SIH's proxy voting policy, as well as information about how SIH voted their securities, by contacting the Chief Compliance Officer.

## **Item 18 – Financial Information**

SIH does not require prepayment of fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.



## **Item 19 – Requirements for State-Registered Advisers**

Not applicable.