

STONE RUN CAPITAL, LLC

CLIENT RELATIONSHIP SUMMARY

March 28, 2024

1. Introduction

Stone Run Capital, LLC (“SRC”) is an investment adviser registered with the Securities and Exchange Commission. The services offered and fees charged by an investment adviser differ from those of broker-dealers and it is important you understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. We invite you to learn more about SRC in this Client Relationship Summary.

2. Relationships and Services

What investment services and advice can you provide me?

SRC offers investment advisory services to “retail investors.” The principal investment advisory services we provide to retail investors are through pooled investment vehicles and separately managed accounts. There are no material limitations on our services.

Monitoring: As a standard part of our services to retail investors, we monitor your investments on a daily basis.

Investment Authority: We have discretionary authority over your account. This means our investment agreement with you gives us the authority to buy and sell investments on your behalf. While our advice is not limited to certain investments, U.S. traded public equities comprise the majority of our investment account portfolios. We also may allocate a small portion of client accounts to foreign companies that meet our investment criteria.

Account Minimums: Our minimum account size is generally \$100,000. However, we may set higher or lower standards for minimum account size for certain accounts.

For additional information, please see our more detailed disclosure on the services and advice we can provide to you in our Form ADV, Part 2A, Items 4 and 7, which is available at www.stoneruncapital.com/sec-documents.

You should consider asking us questions like the following:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications?*
- *What do these qualifications mean?*

3. Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

You will generally pay an asset-based fee ranging from 0% to 1.5% of the net assets in your account each year. Because we charge an asset-based fee, the more assets there are in your advisory account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase the assets in your account. You will incur costs other than our management fee, which may include custodian fees, brokerage fees, commissions, interest fees, taxes, duties and other governmental charges, transfer and registration fees, and foreign exchange transaction costs. In our pooled investment vehicles, you will bear a pro rata portion of the fund’s trading and administrative expenses. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.

Please make sure you understand what fees and costs you are paying. Please see the detailed disclosure on our fees and costs in Items 5 and 6 of our Form ADV Part 2A, which is available at www.stoneruncapital.com/sec-documents.

You should consider asking us questions like the following:

- *Help me understand how these fees and costs might affect my investments: If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means. The following arrangements and activities give us an incentive to make investments for you based on our own interests rather than on your needs.

- *Private Funds.* We serve as investment manager and general partner to two pooled investment vehicles, Alpha Associates, L.P., and Stone Run Capital Partners, L.P. (each, a “Fund” and together the “Funds”). At times, we will recommend a separately managed account client consider also investing in a Fund. This practice presents a conflict of interest because we have a financial interest in recommending an investment in the Funds to separately managed account clients. While we could receive additional compensation from these investments, we waive fees at the managed account level with respect to assets of managed account clients invested in the Funds.
- *Personal Trading.* We invest personally in the same securities that we recommend to you. We also buy or sell securities for you at or about the same time that we buy or sell the same securities for our own accounts.
- *Broker Selection.* When we choose broker-dealers to execute your transactions, we consider the research, products, and services that we receive from broker-dealers. Some of the broker-dealers we trade with allocate a portion of the commissions our clients pay to be used by us to pay for research. These soft dollar arrangements help our firm make investment decisions, but they give us an incentive to use broker-dealers with which we have soft dollar arrangements and can have the effect of increasing clients’ transaction costs.

You should consider asking us questions like the following:

- *How might your conflicts of interest affect me, and how will you address them?*

Please see the more detailed disclosure on our conflicts of interest in Item 10, 11, 12, 14, and 17 of our Form ADV Part 2A, which is available at <https://www.stoneruncapital.com/sec-documents>.

How do your financial professionals make money?

We generally pay our financial professionals a salary plus a discretionary bonus. Compensation amounts are based on a number of factors, including an individual's contribution to SRC, the performance of SRC itself, information on market practices, our assets under management, and the performance of the assets.

4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

Yes. Please visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

You should consider asking us questions like the following:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

5. Additional Information

You can find additional information about our investment advisory services at www.sec.gov and on our website at www.stoneruncapital.com. You can request up-to-date information and a copy of our relationship summary by contacting us at 646-701-6087.

You should consider asking us questions like the following:

- *Who is my primary contact person?*
- *Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*