

503 Capital Partners, LLC

Form ADV Part 2A – Disclosure Brochure

Effective: April 15, 2024

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of 503 Capital Partners, LLC (“503 Capital Partners” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at 913-276-7433.

503 Capital Partners is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about 503 Capital Partners to assist you in determining whether to retain the Advisor.

Additional information about 503 Capital Partners and its Advisory Persons is available on the SEC’s website at www.adviserinfo.sec.gov by searching with the Advisor’s firm name or CRD# 327580.

**503 Capital Partners, LLC
Leawood, Kansas
Phone: 913-276-7433**

Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of 503 Capital Partners.

503 Capital Partners believes that communication and transparency are the foundation of its relationship with Investors and Clients and will continually strive to provide you with complete and accurate information at all times. 503 Capital Partners encourages all current and prospective Investors to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

Material Changes

503 Capital Partners is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 327580. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at 913-276-7433.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Services	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	5
Item 7 – Types of Funds	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	6
A. Methods of Analysis.....	6
B. Risk of Loss.....	7
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations.....	9
Item 11 – Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading	10
A. Code of Ethics.....	10
B. Personal Trading with Material Interest.....	10
C. Personal Trading in Same Securities as Investors	10
D. Personal Trading at Same Time as Investors	10
Item 12 – Brokerage Practices.....	10
A. Recommendation of Custodian[s].....	10
B. Aggregating and Allocating Trades.....	11
Item 13 – Review of Accounts	11
Item 14 – Investor Referrals and Other Compensation	12
A. Compensation Received by 503 Capital Partners	12
B. Compensation for Investor Referrals	12
Item 15 – Custody	12
Item 16 – Investment Discretion	12
Item 17 – Voting Investor Securities	13
Item 18 – Financial Information	13

Item 4 – Advisory Services

503 Capital Partners (“503 Capital Partners” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as an LLC under the laws of the State of Delaware. 503 Capital Partners is owned and operated by Gary Henson (Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by 503 Capital Partners.

503 Capital Partners is a newly established advisor. Assets under management shall be reported with the Advisor’s next filing of this Disclosure Brochure. Clients and Investors may request more current information at any time by contacting the Advisor.

Separately Managed Accounts

503 Capital Partners provides customized investment advisory solutions for its high net worth and registered investment advisory clients (herein “Clients”). This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. The Advisor works closely with each Client to identify their investment goals and objectives in order to create a portfolio strategy. 503 Capital Partners will then construct an investment portfolio, consisting primarily of directly originated private credit securities to achieve the Client’s investment goals. The Advisor may retain certain types of investments based on a Client’s legacy investments based on portfolio fit and/or tax considerations. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

503 Capital Partners’ investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. The Advisor will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client.

503 Capital Partners evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. 503 Capital Partners may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Private Funds

The Advisor provides portfolio management services to pooled investment vehicles (each a “Private Fund” and collectively the “Private Funds”), in which an affiliate under common ownership and control may serve as the general partner (“General Partner”). The Private Funds typically make investments in private credit assets, principally (“Private Credit Securities”). These services are detailed in the offering documents for each Private Fund, which include as applicable, operating agreements, private placement memorandum and/or term sheets, subscription agreements, separate disclosure documents, and all amendments thereto (“Offering Documents”).

The Advisor manages each Private Fund based on the investment objectives, policies and guidelines as set forth in the respective Offering Documents and not in accordance with the individual needs or objectives of any particular investor therein (herein “Investors”). Each prospective Investor interested in investing in a Private Fund is required to complete a subscription agreement in which the prospective Investor attests as to whether or not they meet the qualifications to invest in the Private Fund and further acknowledges and accepts the various risk factors associated with such an investment.

In general, Investors in the Private Funds are not permitted to impose restrictions or limitations. However, the Advisor may enter into side letter agreements with one or more Investors that may alter, modify, or change the terms of interest held by Investors. Certain types of side letters create a conflict of interest among the Advisor and Investors, and/or between Investors themselves.

For more detailed information on investment objectives, policies, and guidelines, please refer to the respective Private Fund's Offering Documents.

Item 5 – Fees and Compensation

Separately Managed Accounts

Investment management fees are paid at the end of each calendar quarter pursuant to the terms of the investment management agreement. Investment management fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment management fees typically range up to 1.25% annually based on several factors, including: the scope and complexity of the services to be provided; the level of assets to be managed; and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The specific manner in which the Advisor charges the investment management fee is established in its agreement with the client ("Client Agreement"). Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by 503 Capital Partners will be valued in accordance with the Advisor's fair valuation policy and procedures.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Investment management fees are calculated by the Advisor or its delegate and deducted from either the Client's account[s] at the Custodian or invoiced directly to the Client. For Client accounts where fees are deducted at the custodian, the Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is prorated for accounts initiated or terminated during the applicable period. Typically, investment management fees are prorated for separately managed account contributions and withdrawals made during the applicable period (with the exception of de minimis contributions and withdrawals). Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment management fee. Clients are urged to review the statement provided by the Custodian, as the Custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by 503 Capital Partners to be paid directly from their account[s] held by the Custodian as part of the investment agreement and separate account forms provided by the Custodian.

503 Capital Partners may be compensated for its investment management services at the end of the quarter after services are rendered. Either party may terminate the investment management agreement, at any time, by providing advance written notice to the other party. Except as otherwise provided in a Client Agreement, upon termination of any account, any earned, unpaid fees will be due and payable, and any pre-paid unearned fees will be refunded to the Client in a timely manner. The Client's investment management agreement with the Advisor is non-transferable without the Client's prior consent.

Private Funds

Investment management fees for private funds typically range up to 1.25% of assets under management.

Additional information regarding fees and compensation received by the Advisor and its affiliates, as well as the terms for termination, are outlined in the respective Private Fund's Offering Documents.

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

The Advisor and/or the General Partner may be entitled to receive performance-based compensation in the form of Carried Interest. The fact that the Advisor or the General Partner receives performance-based compensation creates a conflict of interest in that it creates an incentive for the Advisor or the General Partner to make investments on behalf of the Private Funds that are riskier or more speculative than would otherwise be the case in the absence of such performance-based compensation arrangements. To mitigate the conflicts, the performance-based fees are

structured so that certain performance hurdles must be met in order to receive the fee. In addition, the Offering Documents contain disclosures regarding the amount of fees and how they are calculated. Importantly, as part of the Advisor's fiduciary duty, the Advisor must act in the best interest of the Private Funds.

Regarding side-by-side management, 503 Capital Partners receive different types of fees, such as asset-based and performance-based fees. Managing Clients and Private Funds that are charged different types of fees creates conflicts of interest between the Advisor and its Clients or Private Funds, in addition to the ones listed above. For example, charging performance-based fees could incentivize the Advisor to allocate more favorable investments to those Clients or Private Funds being charged a performance-based fee. 503 Capital Partners has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple types of Clients and Private Funds, including Clients or Private Funds with multiple fee arrangements, and the allocation of investment opportunities.

Item 7 – Types of Clients

The Advisor offers investment management services to high net worth individuals, registered investment advisors and other institutions. The minimum account size for a separately managed account is \$10,000,000. This minimum may be waived at 503 Capital Partners' sole discretion.

The Advisor also offers portfolio management services to Private Funds. The Private Funds are not registered under the Investment Company Act of 1940 (the "Company Act"), as amended, in reliance on the exemptions provided in Sections 3(c)(7) thereunder, as applicable. Additionally, the interests, shares or units (as applicable) are not registered under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act") pursuant to an exemption from registration under Regulation D of the Securities Act. Generally, the Investors in the Private Funds meet the definition of "qualified purchasers" which includes institutional investors, investment managers and high net worth individuals.

The various requirements for investing in a Private Fund, including the minimum investment size, are set forth in each Private Fund's Offering Documents. The Advisor has the ability, in its sole discretion, to permit commitments below the minimum amounts set forth in the Offering Documents.

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

A. Methods of Analysis

Private Credit – The Advisor's investment process includes an evaluation of fundamentals, technicals, and valuations, which may include consideration of the macroeconomic environment, interest rates, and tax rates, among other factors. Additionally, the Advisor assesses each obligor's financial and operating condition, utilizing comprehensive models, historical and projected data and metrics (including profitability and operations, liquidity, revenue sources, credit quality, capital structure, financial ratio analysis, cash flow and debt service analysis), as well as a qualitative analysis of the obligor's history, legal structure, accreditations, affiliations and services, and analysis of management team and governance, and any other relevant considerations. Analysis of environmental, social, and governance risk factors is considered in the investment process.

The main sources of information the Advisor uses include internal and external research, company press releases, SEC and MSRB filings, analysis of corporate activities, on-site due diligence, management presentations and materials and interviews, research materials prepared by third parties, corporate rating services, commercial publications, quarterly and annual reports and current and historical trading levels.

The Advisor's primary investment strategy is fundamentals based, long-only, with an emphasis on managing risk. However, the Advisor's investment strategies may include short-term purchases and trading where appropriate, as indicated by the Advisor's fundamental and technical analysis.

Investing in securities involves risk of loss that investors should be prepared to bear.

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B. Risk of Loss

The material risks related to our significant investment strategies and methods of analysis include:

- Debt investments are subject to various risks, including the risk that the value of an Investor's debt investment could be negatively impacted if a borrower fails to make timely payment of its principal and interest obligations. Because the ability of an issuer of a lower-rated obligation to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated obligations are generally more vulnerable to default.
- In certain strategies, the Advisor may invest for Investors in high yield securities. Such securities are generally not exchange-traded and, as a result, trade in the over the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. Furthermore, due to ongoing regulatory developments, the major broker-dealers who have traditionally made a market in high-yield debt securities have been reducing their inventories, thereby increasing the volatility of prices, especially during periods of broader market volatility.
- Directly originated securities represent obligations structured directly by a single purchaser, or a limited number of institutional purchasers, and the issuer, and are typically not rated by credit rating agencies. Directly originated municipal-related securities generally have limited trading markets and therefore will tend to be less liquid than municipal securities rated investment grade or issued by traditional municipal issuers. This may make it difficult to value these municipal-related securities. In addition, such municipal-related securities will likely only be able to be sold in private transactions with another investor or group of investors, and there can be no assurance that such transactions can be successfully arranged or, if successfully arranged, that favorable values will be obtained upon a sale.
- Liquidity risk exists when trading volume, lack of a market maker or other restrictions impair the Advisor's ability to sell particular securities at an advantageous price or in a timely manner, or at all. It is unlikely that there will be a public market for the securities held by the Advisor at the time of their acquisition. To the extent that there is no active trading market for an investment, the Advisor may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the Advisor's investments will be found.
- Investment advisers, including 503 Capital Partners, must rely in part on digital and network technologies (collectively, "cyber networks") to conduct their businesses. Such cyber networks might in some circumstances be at risk of cyberattacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. Cyberattacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. Nevertheless, cyber incidents could potentially occur, and might in some circumstances result in unauthorized access to sensitive information about the Advisor or its Investors.
- Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises such as the novel coronavirus COVID-19 or any other future epidemics or pandemics, and similar "Act of God" events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Investors may have exposure to countries and markets or investments impacted by such events, which could result in material losses.

- In certain strategies, the Advisor may invest for Investors in securities and other assets that are subject to legal or other restrictions on transfer or for which no liquid market exists. Generally, the Advisor seeks to make illiquid investments with a view for our Investors to hold the investments on a long-term basis. During periods of broader market volatility, opportunities to sell these investments may be severely limited. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable and the Advisor may not be able to sell them when desired to do so, or at all, or to realize what the Advisor perceives to be their fair value in the event of a sale. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of assets eligible for trading on national securities exchanges or in the over-the-counter markets. The Advisor may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted assets may sell at a price lower than similar assets that are not subject to restrictions on resale.
- Many issuers have a right to prepay their debt securities. If interest rates fall, an issuer may exercise this right. In that event, the security holder will not benefit from the rise in market price that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on the prepaid security.
- Wider credit spreads and decreasing market values typically represent a deterioration of the debt security's credit soundness and a perceived greater likelihood or risk of default by the issuer.
- Education facilities may be impacted by risks beyond their operating and financial performance, including being adversely impacted by changes in the political environment, public sentiment or regulation. This could cause a reduction or loss in funding from local, state and federal governments. Additionally, certain education facilities (such as charter schools) are also operated pursuant to charters granted by various state or other regulatory authorities and are dependent upon compliance with the terms of such charters in order to obtain funding from local, state and federal governments and we can be adversely affected by a facility's failure to comply with its charter, an adverse audit or review, or non-renewal or revocation of a charter. These assets are also impacted by the interests of local communities and stakeholders, which may affect the operation of such assets. Certain of these communities may have or develop interests or objectives which are different from, or even in conflict with, the owners of such assets.
- The Advisor's focus on investments in issuers in the waste transition, education and healthcare sectors viewed by 503 Capital Partners as related to positive social and environmental impact assets and services, subjects it to a variety of risks, not all of which can be foreseen or quantified. Although the Advisor is focused on investments in issuers in such sectors, which it believes may be potentially significant in addressing climate-related environmental and social goals, investment opportunities will be evaluated primarily for their potential financial return before their potential to achieve any particular social impact or environmental goal.
- Inflation and rapid fluctuations in inflation rates may have negative effects on economies and financial markets (including securities markets) of various countries. For example, if a company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected, including, without limitation, as a result of a significant increase to such company's operating cost. Companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, a company may earn more revenue but incur higher expenses. As inflation declines, a company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Certain countries and regions, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the Advisor's returns.

- The success of the Advisor's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of the Advisor's Investments), trade barriers, consumer spending patterns, currency exchange controls, continued technology disruption, tax reform or other significant policy changes as well as national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations). Commercial, market or other considerations may result in changes to the Advisor's staffing levels, investment operations or investment process. In addition, the slowdown in the global economy and changes in the prices of oil and gas, raw materials and agricultural commodities may affect inflation rates and currency exchange rates, which may in turn have a negative impact on the Advisor's Investments.
- 503 Capital Partners may be subject to increasing scrutiny from regulators, elected officials, investors and other stakeholders with respect to ESG matters, which may adversely impact the ability of the Advisor's investment funds to raise capital from certain investors, constrain capital deployment opportunities for the Advisor and harm the Advisor's brand and reputation.
- The financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such obligations. The cost and availability of leverage is highly dependent on the state of the broader credit markets, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. In the event any portfolio company cannot generate adequate cash flow to meet debt service, Investors may suffer a partial or total loss of capital invested in the portfolio company, in turn affecting the Investor's returns.
- 503 Capital Partners may invest in public infrastructure projects that constitute significant strategic value to public or governmental bodies. Such assets may have a national or regional profile and may have monopolistic or oligopolistic characteristics. The very nature of these assets could create additional risks not common in other industry sectors. Given the national or regional profile and/or irreplaceable nature of certain strategic assets, such assets may constitute a higher risk target for terrorist acts or political actions, such as expropriation, which may negatively affect the operations, revenue, profitability, or contractual relationships of investments. Given the essential nature of the services provided by certain public infrastructure, there is also a higher probability that if an owner of such assets fails to make such services available, users of such services may incur significant damage and may be unable to replace the supply or mitigate any such damage, thereby heightening the risks of third-party claims.
- Certain investments may have exposure to the pricing of certain physical commodities. As a result, such investments may be subject to greater volatility than investments without such physical commodity risk. The value of investments with physical commodity risk may be affected by overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity.

The foregoing list of certain risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment or an investment in the Advisor's funds. Prospective purchasers should carefully review these and other risks and other information contained in the offering documents of the fund in which they may consider investing.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving 503 Capital Partners or management persons. 503 Capital Partners values the trust Clients and Investors place in the Advisor. The Advisor encourages Clients and Investors to perform the requisite due diligence on any advisor or service provider that is engaged. The backgrounds of the Advisor or Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 327580.

Item 10 – Other Financial Industry Activities and Affiliations

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

A. Code of Ethics

503 Capital Partners has implemented a Code of Ethics (the “Code”) that defines the Advisor’s fiduciary commitment to each Fund. This Code applies to all persons associated with 503 Capital Partners (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor’s duties to each Fund. 503 Capital Partners and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Fund. It is the obligation of the Advisor’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (913) 276-7433.

B. Personal Trading with Material Interest

503 Capital Partners does not act as principal in any transactions. In addition, the Advisor does not act as the general partner to the Funds. As noted above, an affiliate of the Advisor may serve as the General Partner to the Funds and therefore may have a material financial interest in these securities.

C. Personal Trading in Same Securities as Clients

As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

D. Personal Trading at Same Time as Client

Supervised Persons must invest during the same time periods Fund opportunities are made available to Clients or Investors. At no time will 503 Capital Partners, or any Supervised Person of 503 Capital Partners, transact in any security to the detriment of any Fund.

Item 12 – Brokerage Practice

A. Recommendation of Custodian[s]

Separately Managed Accounts

503 Capital Partners does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the “Custodian”) to safeguard Client assets and authorize 503 Capital Partners to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, 503 Capital Partners does not have the discretionary authority to negotiate commissions on behalf of the Advisor’s Clients on a trade-by-trade basis.

Following are additional details regarding the brokerage practices of the Advisor:

1. **Soft Dollars** — Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. 503 Capital Partners does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.
2. **Brokerage Referrals** — 503 Capital Partners does not receive any compensation from any third party in connection with the recommendation for establishing an account.
3. **Directed Brokerage** — All Clients are serviced on a “directed brokerage basis”, where 503 Capital Partners will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). 503 Capital Partners will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

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Private Funds

503 Capital Partners has complete discretion in selecting the broker that it uses for Private Fund transactions and the commission rates that the Private Funds pay such brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker dealer's services. In selecting a broker for any transaction or series of transactions, 503 Capital Partners is authorized to consider several factors, including, for example:

- net price, clearance, settlement and reputation.
- financial strength and stability.
- efficiency of execution and error resolution.
- ability to arrange for sales and transfers of restricted and illiquid securities.
- willingness to execute related or unrelated difficult transactions in the future.
- special execution capabilities; and
- order of call.

503 Capital Partners focuses on making investments in private securities, specifically private credit investments. Accordingly, 503 Capital Partners does not ordinarily deal with any financial intermediary such as a broker dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent 503 Capital Partners transacts in public securities, it intends to select brokers based upon the broker's ability to provide the best execution in the fixed income markets for the Private Fund at a competitive rate.

503 Capital Partners does not currently participate in any soft dollar arrangements. Any research services received from brokers and dealers are incidental to 503 Capital Partners' own research effort. To the best of 503 Capital Partners' knowledge, such services are generally made available to all institutional investors doing business with such broker dealers. 503 Capital Partners does not separately compensate such broker dealers for the research and does not believe that it "pays up" for such broker services.

B. Aggregating and Allocating Trades

Separately Managed Accounts

The primary objective in placing orders for the purchase and sale of securities is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. 503 Capital Partners will execute its transactions through the Custodian or another unaffiliated broker-dealer as defined in the Offering Documents and/or investment management agreement (as applicable).

Private Funds

As each of the Private Funds have different underlying investments, there is generally not an opportunity to aggregate orders among the Private Funds. To the extent that more than one investment opportunity is suitable for multiple Private Funds, the Advisor will seek to allocate the opportunity in a manner that is fair and equitable to all Investors in accordance with the Offering Documents of such Funds.

Item 13 – Review of Accounts

Separately Managed Accounts

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of 503 Capital Partners. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify 503 Capital if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events. The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all

positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Private Funds

The investments made by the Private Funds are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Advisor closely monitors companies in which the Private Funds invest, and Compliance periodically checks to confirm that each Private Fund is maintained in accordance with its stated objectives as outlined in the Offering Documents.

Investors in the Private Funds will receive communications no less than quarterly from the Advisor and contain a link directly to the Investor's statements. The Advisor may also provide Investors with periodic reports regarding the Private Fund's holdings, allocations, and performance.

Investors are encouraged to notify the Adviser if changes occur in their personal financial situation that might impact the appropriateness of investing in a Private Fund.

Item 14 – Client/Investor Referrals and Other Compensation

A. Compensation Received by 503 Capital Partners

The Advisor does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. The Advisor may refer Clients or Investors to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Investors. Likewise, the Advisor may receive non-compensated referrals of prospective clients or investors from various third-parties.

B. Compensation for Client or Investor Referrals

The Advisor does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client or Investor referrals.

Item 15 – Custody

Separately Managed Accounts

503 Capital Partners does not accept or maintain custody of any Managed Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct 503 Capital Partners to utilize that Custodian for the Managed Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by 503 Capital Partners to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

Private Funds

Pursuant to Rule 206(4)-2 of the Advisers Act, the Advisor will be deemed to have custody of the Funds because a related person will serve as the General Partner to the Private Funds. To ensure compliance with the Custody Rule, the Advisor will ensure that the Private Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB") and that the audited financial statements of each Private Fund will be prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") and distributed to investors within 120 days of the end of each Private Fund's fiscal year (180 days in the case of fund of funds). Investors should carefully review the audited financial statements of the Private Funds and compare these statements to any account information provided by the Advisor.

Item 16 – Investment Discretion

503 Capital Partners generally has discretion over the selection and amount of securities to be bought or sold in Client accounts and Private Funds without obtaining prior consent or approval from the Client or Private Funds.

However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by Clients or the Private Funds and agreed to by 503 Capital Partners. Discretionary authority will only be authorized upon full disclosure to Client or the Private Funds. The granting of such authority will be evidenced by the Client or Private Fund's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by 503 Capital Partners will be in accordance with each Client and Private Fund's investment objectives and goals.

Item 17 – Voting Client Securities

503 Capital Partners does not accept proxy-voting responsibility for any Client or Investor. Clients and Investors will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, Clients and Investors retain the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither 503 Capital Partners, nor its management, have any adverse financial situations that would reasonably impair the ability of 503 Capital Partners to meet all obligations to Clients or the Private Funds. Neither 503 Capital Partners nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. 503 Capital Partners is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.