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MARCH 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Stelac Capital Partners, LLC (“SCP” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (212) 920-3890 or at [clo@stelac.com](mailto:clo@stelac.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SCP is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

This Brochure, dated March 2024, reflects no material changes from SCP's previously filed Brochure dated March 2023.

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## **Item 4 – Advisory Business**

### **Item 4.A**

Stelac Capital Partners, LLC, a Delaware limited liability company, commenced operations in 2007. SCP is owned by CVC Holdings LLC (50%) and SCP CLO Holdings LLC (50%). CVC Holdings LLC is a New York limited liability company owned 100% by Charles de Viel Castel. SCP CLO Holdings LLC is a Delaware limited liability company owned 99% by Carlos M. Lopez-Oña. SCP's principal place of business is in New York, N.Y.

### **Item 4.B**

SCP is an investment management firm that provides advisory services on a discretionary basis to privately-offered pooled investment vehicles, including but not limited to, special purpose vehicles that invest in a single private investment (collectively, the "Funds" and each a "Fund"). SCP serves as the Manager of the Funds.

Please see Item 8.A. for additional information regarding the SCP's investment strategy.

### **Item 4.C**

SCP's investment management and advisory services to the Funds are provided pursuant to the terms of the applicable offering documents or governing documents ("Governing Documents"), which set forth investment strategies and limitations. Investors in the Funds ("Investors") cannot obtain services tailored to their individual specific needs. At its discretion, SCP may enter into one or more "side letters" or similar agreements with certain Investors pursuant to which SCP, as applicable, grants to such Investor specific rights, benefits or privileges that are not made available to Investors generally. The Firm may, from time to time, permit one or more co-investors to invest alongside a Fund in amounts determined by SCP. Such co-investors may invest on different terms from those applicable to Investors in the Fund including with respect to management fees and carried interest.

### **Item 4.D.**

SCP does not participate in a wrap fee program.

### **Item 4.E.**

As of December 31, 2023, SCP manages approximately \$463,716,025 of regulatory assets under management on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **Item 5.A.**

SCP is generally compensated for its advisory services to each Fund by a management fee, in an amount up to two percent (2%) of the Fund's aggregate capital commitments or invested capital on a cost basis, as set forth in each Fund's Governing Documents. As described in each applicable Fund's Governing Documents, after an initial period, certain Funds are no longer subject to a management fee and certain other Funds' management fees are reduced. Typically, management fees are calculated on the anniversary of the applicable Fund. Management fees for the first year are collected in advance at the initial closing and yearly in advance thereafter on the anniversary cycle of the applicable Fund.

Subject to the terms and limitations set forth in the applicable Governing Document, the respective General Partner generally is entitled to receive carried interest distributions of up to 25% of net profits, depending on the investment and whether or not there are shared economics with an outside partner, derived from the exit of investments (following a return of capital contributions attributable to disposed investments and, with respect to certain Funds, and a potential preferred rate of return per annum to Investors applicable at each Fund level).

SCP is authorized under the Governing Document(s) to charge and deduct management fees directly from the Funds and in its sole discretion, may waive or modify the management fees as set forth in the applicable Governing Documents.

All Investors and prospective Investors should carefully review the Governing Documents of each Fund together with this brochure for complete information on the fees and compensation payable with respect to a particular Fund. Different Funds are subject to different management fees as compensation for the advisory services rendered with respect to the particular Fund. It should be noted that any new Fund launched by SCP may have materially different terms than those summarized above, and any terms of any existing fund may be amended from time to time.

### **Item 5.B.**

Management fees are typically funded with initial capital contributions drawn for such purpose. Carried interest allocations generally will be distributed to the applicable SCP entity, typically the Common Member, as outlined in the Governing Documents, from time to time upon the disposition of portfolio investments by a Fund and are distributed to such SCP entity in accordance with the terms of the applicable Governing Documents.

### **Item 5.C.**

The Firm or the respective Manager is responsible for paying their respective overhead expenses, including salaries and benefits, rent, communications, certain professional fees, and other non-Fund related expenses.

Each Fund is responsible for all costs and expenses incurred by or on behalf of the Fund or for its benefit. Fund expenses generally include, but are not limited to, the following costs and expenses associated with the formation, operation, dissolution, winding-up, or termination of a Fund, reasonably incurred by the Funds: (i) all out-of-pocket expenses associated with the organization of the Funds' managing members or the Funds or the syndication of interests therein; (ii) legal, accounting, audit, custodial and other professional fees as well as consulting fees relating to services rendered to the Funds; (iii) banking, brokerage, broken-deal, registration, qualification, finders, depositary and similar fees or commissions; (iv) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Fund assets; (v) insurance premiums, indemnifications, costs of litigation and other extraordinary expenses; (vi) costs of financial statements and other reports to Investors as well as costs of all governmental returns, reports and other filings; (vii) costs of meetings of the Investors or portfolio company (including the reasonable travel and other out-of-pocket costs incurred by the Fund's managing members in attending such meetings); (viii) interest expenses, if applicable; (ix) amounts paid to or for the benefit of portfolio companies other than as capital contributions thereto or in exchange for securities issued thereby; (x) all costs associated with the liquidating trust; (xi) advertising and public notice costs; (xii) expenses incurred in investigating, evaluating or monitoring portfolio companies and communicating with potential sellers of portfolio company shares including but not limited to reasonable travel expenses, and (xiii) any other expenses not listed in the preceding clauses (i) through (xi) that are not normal operating expenses of the Fund's managing members; provided that Fund expenses are subject to an annual cap.

Expenses, otherwise qualifying as Fund expenses, which are paid or incurred for the benefit of a Fund as well as one or more other Funds shall be allocated equitably among such entities by SCP, as applicable, in their reasonable discretion. Should the Manager receive additional "advisory related" compensation from a portfolio company of a Fund, there will not be an offset for that compensation against management fees.

#### *Brokerage Fees*

From time to time a Fund may receive as form of distribution, upon an exit of an investment, public securities of such portfolio company. To the extent applicable, in which brokerage commissions are involved in the disposition of those public securities, each Fund is responsible for and pays any of its custodial fees and expenses related to such disposition or distribution. See Item 12 below.

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

As noted earlier, SCP does have performance fee arrangements in the form of carried interest charged at each Fund level. In measuring clients' assets for the calculation of performance-based fees, SCP shall only include realized capital gains after an applicable preferred return, if any, as outlined in the Governing Documents of each Fund. Performance based fee arrangements may create an incentive for SCP to recommend investments which may be riskier or more speculative

than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. SCP has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **Item 7 – Types of Clients**

SCP provides discretionary investment advice solely to pooled investment vehicles, including the Funds as described in this document. Investors to which we provide access to the Funds are generally international high net worth individuals and from time to time may also include international charitable institutions and/or foundations. Over 80% of the assets managed by the Firm, through the pooled investment vehicles, are from non-US investors.

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

SCP's objective is to invest globally in fast growing enterprises primarily in the consumer, retail, business services, healthcare and technology sector. All investments are meant to be held long-term.

*Prospective investors should be aware that an investment in the Funds and their underlying investment involves a high degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of the investment in Funds and bearing the risks it represents. There can be no assurance that the Funds' investment objectives will be achieved, or that an investor will receive a return of its capital and therefore, an investor should only invest in the Funds if such investor is able to withstand a total loss of its investment. In addition, there will be occasions when the Manager and its affiliates may encounter potential conflicts of interest in connection with the Funds. The following considerations, among others, should be carefully evaluated before making an investment in the Funds.*

**OVERALL RISKS.** Prospective investors are not to construe the contents of a Fund's Governing Documents or any other communication from the Funds, the Manager, personnel of the Manager or any other person or entity identified herein or any of their respective employees, affiliates or representatives as providing assurances, whether express or implied, that the investment objectives or strategy of a Fund will be realized, that any benefits or advantages to prospective investors of an investment in a Fund suggested, implied or advocated in the Fund's Governing Documents will be available or accomplished, or that any estimated performance return will be achievable with respect to a Fund and its underlying investment, or will confer any benefits on a Fund or its prospective investors.

**RISK INHERENT IN VENTURE CAPITAL AND PRIVATE EQUITY INVESTMENTS.** The type of investment that the Funds anticipates making involves a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns

should reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken. A loss of an investor's entire principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's life, while successes often require a long maturation.

Early-stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that survive and prosper can be small.

**INVESTMENT IN COMPANIES DEPENDENT ON NEW SCIENTIFIC DEVELOPMENTS AND TECHNOLOGIES.** On occasion, an individual or multiple Funds may invest in an early-stage company in an emerging industry dependent on new technology. The value of a Fund's interests may be susceptible to factors affecting the industry and to greater risk than an investment in a partnership that invests in a broader range of securities. The specific risks faced by such companies include:

- Rapidly changing science and technologies;
- Products or technologies that may quickly become obsolete, due to new competing improvements in existing products or technologies or otherwise;
- Exposure to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- Scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- The possibility of lawsuits related to patents and intellectual property; and
- Rapidly changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky).

**NO ASSURANCE OF RETURNS.** There can be no assurance that the investor will receive distributions from the Funds in an amount equal to its investment in the Funds. The timing of profit realization, if any, is highly uncertain.

**MINORITY INVESTMENTS.** A Fund's investment is expected to be a minority position in a private company. In addition, during the process of exiting its investment, the Funds may hold a minority equity stake if its portfolio holding is taken public. As is the case with minority holdings in general, such minority stake that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling



stakes. A Fund may not have a right to appoint a director or otherwise exert significant influence over the portfolio company. In such cases, a Fund will be significantly reliant on the existing management and board of directors of the portfolio company, which may include representatives of other financial investors with whom the Fund(s) is not affiliated and whose interests may conflict with the interests of the Fund(s).

**LACK OF INFORMATION FOR MONITORING AND VALUING A FUND'S ASSETS.** Despite the Manager's efforts to acquire sufficient information to monitor a Fund's investment and make well-informed valuation and pricing determinations, the Manager may only be able to obtain limited information with respect to its investment at certain times and, in some cases, may not be able to obtain information about the portfolio company beyond the information that is publicly available. It is possible that neither the Manager nor the Fund(s) will have contractual rights to receive any financial information from the portfolio company or even the right to current capitalization information. It is possible that the Manager may not be aware on a timely basis of material adverse changes that have occurred with respect to the portfolio company. The value of a Fund's assets could be significantly negatively affected by any such event. Further, the Manager will have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the Manager may not represent the fair market value of the securities of the portfolio company acquired by a Fund.

**CHANGING ECONOMIC CONDITIONS.** The success of the investment strategy of the Fund(s) could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. Changing economic conditions could potentially adversely impact the valuation of a Fund's portfolio company.

**NO ASSURANCE OF ADDITIONAL CAPITAL FOR INVESTMENTS.** After a Fund has financed its investment in a portfolio company, continued development and marketing of products, expansion into new markets and execution of the portfolio company's growth strategy will require that additional financing be provided. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained.

**REPAYMENT OF CERTAIN DISTRIBUTIONS.** In the unlikely event that a Fund is unable otherwise to meet its obligations or satisfy its liabilities, members of the Fund may be required to repay to the Funds distributions previously received by such Member.

**FUTURE AND PAST PERFORMANCE.** The performance of any personal investments affiliated with any manager of the Manager is not necessarily indicative of a Fund's future results. Loss of principal is possible on any given investment.

**LEVERAGE.** To the extent that a portfolio company borrows or enters into other financing transactions requiring periodic payments, there will be an increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of a portfolio company. If a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the

value of any equity investment by the Fund(s) in a portfolio company could be significantly reduced or even eliminated.

**LIMITATIONS ON ABILITY TO EXIT INVESTMENTS.** The Manager expects that the Funds would exit from its investment in the portfolio company in one of two principal ways: (i) private sales (including acquisitions of the portfolio company) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the Funds, or timing with respect to these exit mechanisms may be inopportune. In addition, in certain circumstances, governmental or regulatory approvals may be required for the Funds to dispose of an investment or the Funds may be prohibited by contract or for legal or regulatory reasons from selling an investment for an extended period of time. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time and disposition of such investments may require a lengthy time period or may result in distributions in kind to investors.

**NO MARKET; ILLIQUIDITY OF THE UNITS OF THE FUNDS.** The investments made by a Fund will be solely in a portfolio company, the securities of which are not, at the time of investment, and may never be, publicly traded. The investments in a portfolio company may be long term in nature and may require many years from the date of initial investment before disposition. This is particularly true should the portfolio company become a distressed company. The investments in a portfolio company may be difficult to value and to sell or otherwise liquidate, and the risk of investing in a portfolio company is generally much greater than the risk of investing in publicly traded companies. A portfolio company, the securities of which are not publicly traded, are not subject to the same disclosure and other investor protection requirements that are generally applicable to companies with publicly traded securities.

**CERTAIN LIMITATIONS ON THE ABILITY OF THE INVESTOR TO TRANSFER ITS UNITS IN A FUND.** The transferability of the units in a Fund will be restricted by the Governing Documents and by United States federal and state securities laws. In general, an investor will not be able to sell or transfer its units in a Fund to third parties without the consent of the Manager.

**TIMING OF DISTRIBUTIONS FROM THE FUNDS.** Distributions by the Funds will depend primarily on the Fund's net cash receipts from its investment in the portfolio company. A Fund will distribute cash to its members only to the extent that the Manager determines that a Fund has cash on hand that is available for distribution, after payment of Fund expenses and the establishment of reserves for expenses and future investments by a Fund. Accordingly, the Manager cannot assure investors as to the amount or timing of any distributions by any Fund. Moreover, Fund income may be taxable to the Manager and the Members in the year earned, even if cash is not distributed by the Funds.

**LEGAL AND REGULATORY RISKS.** The Funds are not and do not expect to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the "*Investment Company Act*"), pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the Funds. Due to the burdens of compliance with the Investment Company Act, the performance of the Funds' investment portfolio could be materially adversely affected, and risks involved in financing a portfolio company could substantially increase, if the

Funds becomes subject to registration under the Investment Company Act. Neither the Funds nor its counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Funds may not become subject to the Investment Company Act or other burdensome regulation.

The Firm is now registered as an investment adviser, as such a copy of its SEC Form ADV, which constitutes its regulatory disclosure brochure, is made available as required.

In addition, the Funds do not plan to register the offering of the Fund's units to its investors under the United States Securities Act of 1933, as amended (the "*Securities Act*"). As a result, the Investor will not be afforded the protections of such Acts with respect to their investment in the Funds.

**SYSTEMIC RISK.** Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Funds interact are all subject to systemic risk. A systemic failure could have material adverse consequences on the Funds and on the markets for the investments in which the Funds seek to invest.

**CYBERSECURITY RISK.** SCP and its Funds may be susceptible to operational, information security and related risks. In general, cyber incidents may result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting a Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of such Fund to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting the underlying investments in which the Funds invest, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, banks, brokers, dealers, insurance companies and other financial institutions. In addition, substantial costs may be incurred in order to prevent cyber incidents in the future. While the Funds' service providers have established business continuity plans and risk management systems to prevent such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

**UNCERTAIN ECONOMIC, SOCIAL AND POLITICAL ENVIRONMENT.** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions,

potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

**COVID-19.** In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID- 19, was first identified in the human population. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and “shelter-in-place” or similar policies by numerous companies and national and local governments. These actions have caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of the Firm and the performance of its Funds is difficult to predict.

General market disruptions may affect the ability of certain investors to access capital and thus, fund capital commitments to a Fund. Any potential impact on the operations of the Firm and performance of its Funds will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds.

**EFFECTS OF HEALTH CRISES AND OTHER CATASTROPHIC EVENTS.** Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and the Firm's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Firm and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

**WITHHOLDING AND OTHER TAXES.** The Manager intends to structure the Funds' investments in a manner that is intended to achieve a Funds' investment objective and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of the investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of

the jurisdictions in which investors are liable for taxation or in which the Funds make portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the Funds under the laws of the jurisdiction in which they are liable for taxation. Furthermore, the Funds' returns in respect of the investment may be reduced by withholding or other taxes imposed by other jurisdictions, as applicable.

**CONFLICTS OF INTEREST.** Instances may arise where the interest of the Manager may potentially or actually conflict with the interests of the Funds and its investors. Conflicts of interest may arise as a result of the personnel of the Firm having personal investments in a portfolio company as well as other investments both public and private. In addition, the Firm has or may form other investment Funds for the purpose of permitting other parties to invest in the securities of a portfolio company. The Firm may allocate future opportunities to purchase securities of a portfolio company to such other investment Funds. An inherent conflict of interest exists as a result of the allocation of investment opportunities by SCP to the Funds and such other investment Funds. SCP or its affiliates may earn carried interest in such other investment vehicles as a result of such acquisition of securities.

SCP and its affiliates may be involved in the operation and management of other Funds, investments and business activities and, while it is expected that they will devote an adequate amount of time to the management of the Funds, conflicts of interest may arise with respect to allocating their professional time between the Funds and such other Funds or business pursuits.

By subscribing to units in SCP sponsored Funds, an investor understands, consents and agrees to such conflicts of interest.

**RUSSIA-UKRAINIAN CONFLICT.** The Russian invasion of Ukraine that commenced in February 2022, has resulted in complex, evolving and systemic economic effects that may influence financial benchmarks key to asset pricing, interest rates and lending availability, as well as financial and physical market liquidity, and the price and availability of essential commodities, in an unpredictable fashion for an uncertain duration. Acute effects to particular commodity and foreign securities markets are possible. Russia and Ukraine are major participants in certain commodities sectors, such as for agricultural (e.g., wheat) and energy (e.g., oil and natural gas) products. Furthermore, this conflict has also resulted in swift multilateral sanctions targeting Russia's financial sector and access to capital markets with designations of dozens of individuals and entities, including the Russian Central Bank, several large publicly-traded Russian banks and companies, Russia's sovereign wealth funds, and Russian oligarchs and other members of the Russian elite, including Russian Federation President Vladimir Putin. The sanctions imposed are complex and the prohibitions apply to various types of debt and equity transactions involving sanctioned persons, including bonds, loans, loan guarantees, extensions of credit, letters of credit, stocks, share issuances, and depository receipts, among others. For example, U.S. persons have been, and in the future may continue to be, prohibited from transacting, financing or otherwise dealing in certain new debt and equity of certain financial institutions and companies critical to the Russian economy. In addition, certain imports, exports, the transfer of US dollar banknotes to Russia, and new investments involving the Russian energy sector have been, and in the future may continue to be, prohibited.

The unpredictable and evolving economic effects resulting from the Russia-Ukrainian conflict and the regulations, orders, and sanctions adopted by governments in response to this conflict may affect the value of a Fund's investments or a Fund's ability to acquire or dispose of such investments in an efficient manner. These factors may have negative consequences for the valuation of a Fund's portfolio that the Firm may be unable to anticipate or hedge against.

*The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read the offering and Governing documents and consult their own counsel and advisors before deciding to invest in a Fund.*

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SCP or the integrity of SCP's management. SCP has no information applicable to this Item.

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

### **Item 10.A.**

Neither SCP nor any of its executives are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Item 10.B.**

Neither SCP nor its management persons are registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant.

### **Item 10.C.**

One of our owners is the majority owner of Stelac Advisory Services LLC, a registered investment advisor. On occasion, the Firm may offer clients of Stelac Advisory Services LLC the opportunity to invest in Funds sponsored by SCP. Clients of Stelac Advisory Services LLC are not required to invest in any of the Funds and do so at their own discretion. There is no referral arrangement between the two firms.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1.

### **Item 10.D.**

SCP and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its Funds.

## **Item 11 – Code of Ethics**

SCP has adopted a Code of Ethics, which is applicable to all of the Firm's officers and managers. The Code of Ethics generally sets the standard of ethical and professional business conduct that SCP requires of its officers and managers, sets forth the fiduciary obligations that the Firm and each of its officers and managers owe to each client, and requires its managers and officers to comply with applicable federal securities laws and regulations. Additionally, the Code of Ethics sets forth SCP's policies and procedures with respect to personal trading, material non-public information and other confidential information, political contributions, gifts and entertainment, electronic communications and other matters related to potential conflicts of interest. The Code of Ethics is circulated at least annually to all officers and managers, and each at least annually must certify in writing that he or she has received and read the Code of Ethics and any amendments thereto.

Certain principals maintain investments directly in certain of the Funds. This could create a potential for conflict in that it could cause SCP to make different investment decisions than if such parties did not have such financial ownership interests. However, the Firm believes that these financial interests align the Firm's and the principals' incentives with those of the Funds.

Officers and managers make private equity investments separate and apart from, or alongside with, a Fund; and a Fund may invest in companies in which officers and managers have a pre-existing interest or subsequently or simultaneously acquire a co-investment interest. Among other considerations, when officers or managers hold interests in portfolio companies other than through the Fund, those interests may substantially differ from the Fund's interests in such companies due to differences in liquidation preference, voting rights or other investment terms. This may result in such officer and/or manager having personal investment interests that directly conflict with the interests of the Fund.

A copy of SCP's Code of Ethics is available to investors and prospective investors upon request. Contact information is provided on the cover of this Brochure.

## **Item 12 – Brokerage Practices**

The Firm currently does not engage in trading transactions on behalf of its Funds or utilize the services of broker-dealers for transaction related services, other than to handle the distribution or sale of shares allocated to a Fund as a result of an exit of an investment via the public markets. In the event it requires the services of a broker-dealer, SCP will seek to obtain best execution for all transactions. To the extent they aggregate sales orders, the Firm will aggregate such orders as it deems appropriate and in accordance with the Funds' Governing Documents and in the best interests of the Funds. SCP may face actual or potential conflicts of interest when allocating investment opportunities among the Funds. The general policy of SCP is to allocate investment opportunities among the applicable Funds in a fair and equitable manner and in accordance with the terms of its policies and the applicable governing documents for such Funds.

## **Item 13 – Review of Accounts**

### **Item 13.A. and 13.B.**

The investments made by the 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 Firm closely monitors the Funds' investments, and the respective Managing Partner periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

### **Item 13.C.**

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. In addition, investors in each Fund will typically receive an update letter containing summary information on the performance of the portfolio companies in each Fund on a yearly basis.

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

### **Item 14.A.**

Investors in each Fund indirectly pay advisory and other fees to SCP and the related managing members. SCP does not otherwise receive economic benefits from someone who is not a client for advising the Funds, other than some board fees it may receive directly from the portfolio companies.

### **Item 14.B.**

SCP generally does not engage or compensate third party agents to solicit new clients or investors. On occasion it may share a portion of the carried interest with certain individuals or firms it considers strategic for the success of a Fund, whether it is for introducing a potential investor or portfolio company.

## **Item 15 – Custody**

SCP will be deemed to have custody of the assets of each of the Funds. In accordance with Rule 206(4)-2 under the Advisers Act ("Custody Rule"), the Funds will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each Fund's fiscal year. Investors should carefully review



the audited financial statements of the Funds upon receipt, and should compare these statements to any account information provided by SCP.

As the Firm's investment program generally involves investments in certain privately offered securities, SCP generally will be exempt from the requirement that securities be maintained with a bank or other "qualified custodian." To the extent that SCP holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, SCP will maintain such securities with a qualified custodian in an account in the name of the Fund or in accounts that contain only funds and securities owned by the Funds, under the Firm's name as agent or trustee for the Fund.

### **Item 16 – Investment Discretion**

The Firm has discretionary authority to manage securities accounts on behalf its Funds. Each Fund's investment strategy is set forth in detail in such Fund's offering and governing documents. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in the applicable Fund.

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

SCP has, or will accept, authority to vote the proxies on behalf of each Fund. The Firm will vote any such proxies in the best interests of the Funds and in accordance with its proxy voting policies. Generally, the Funds will not directly hold publicly-traded securities that solicit proxy votes, unless those publicly-traded securities come from an exit of an investment through the public markets. Under certain circumstances, SCP may abstain from voting specific proxies if it believes that doing so is in the best interests of the applicable Fund.

In the event of a material conflict of interest, SCP will follow the written policies and procedures detailed in the Firm's Compliance Manual.

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how SCP voted Fund securities and may obtain a copy of the Firm's proxy voting policies and procedures by contacting Carlos M. Lopez-Oña. Contact information is provided on the cover of this Brochure.

## **Item 18 – Financial Information**

### **Item 18.A.**

At closing of a Fund, the Firm does require pre-payment of one year's worth of management fees in advance alongside the investor's capital commitment to the Fund, and may require on any given year post investment pre-payment of expected direct entity related expenses. Both pre-payments may exceed more than \$1,200.

### **Item 18.B.**

The Firm is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

### **Item 18.C.**

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