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Cover Page, Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Sapphire Star Capital LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at 425.576.4083 or via email – mnchicoine@sapphirestarcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Sapphire Star Capital LLC is registered with the United States Securities and Exchange Commission. Registration with the SEC does not imply any particular level of skill or training.

Additional information about Sapphire Star Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 226665.

This document is not an advertisement for the advisory services of Sapphire Star Capital LLC, nor an offer to sell or the solicitation of an offer to purchase interests of any private fund managed by Sapphire Star Capital LLC.

Item 2 - Material Changes

Sapphire Star Capital LLC is required to update this Brochure annually, or more frequently in the event of certain material changes. This section outlines and summarizes the specific changes made to the Brochure since our last update on March 31, 2023.

We have updated Item 4 Advisory Business –

- We updated our Assets Under Management.

We have updated Item 11 Conflicts of Interest and Item 12 Brokerage Practices –

- We have removed Cowen Prime Services LLC as our Prime Broker and replaced them with StoneX Financial Inc.

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IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- an offer or agreement to provide advisory services or sub-advisory services to any person or separately managed account;
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any private fund; or
- a complete discussion of the features, risks or conflicts associated with any advisory services, sub-advisory services, or private fund.

Although this publicly available Brochure describes investment advisory services, sub-advisory services and products that we provide, persons who receive this Brochure (whether or not from us) should be aware that it is designed solely to provide information about us as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant client documents. More complete information about our advisory services, separately managed accounts, or private fund is included in the relevant client documents, certain of which may be provided to current and eligible prospective clients or investors only, by persons authorized to communicate with current or potential clients or investors by, or on behalf of us. To the extent that there is any conflict between discussions herein and similar or related discussions in any client documents, the relevant client documents shall govern and control.

No offer or solicitation for an account or private fund managed by us will be made before the delivery of offering and investment documents to a potential investor. You should read such documents carefully and consult with tax, legal and financial advisors before making any investment decision.

Item 4 - Advisory Business

Sapphire Star Capital LLC, formed in February 2015, is referred to in this document as “Sapphire Star Capital”, “Sapphire Star”, “the Company”, “us”, “we” or “our”. In this document we refer to current and prospective clients of Sapphire Star as “you”, “client”, or “your”. Michael J. Borgen (“Michael”) is the managing member of Sapphire Star Capital LLC.

Types of Advisory Services

We provide sub-advisory and investment advisory services to advisory clients, on a discretionary and non-discretionary basis. We provide sub-advisory services to a 40 Act fund. We also provide investment advisory services to Sapphire Star Partners L.P., - a private fund, exempt from registration under the Investment Company Act of 1940, as amended. Investment advice is provided directly to the private fund and therefore, Sapphire Star does not provide investment advice to investors in the private fund. Sapphire Star may, in the future, organize additional investment vehicles that follow an investment program similar to or different from the investment program of the existing private fund, however, SSC has no present intent to do so.

Our Advisory Services and Investment Solutions

We manage advisory client’s assets using a combination of one or more of the following investment solutions.

- Internally managed portfolios developed by us;
- Sub-advisory relationships;
- Model Portfolio Management;
- Alternative Investments, including investments in the private fund managed or controlled by us.

Sapphire Star offers the following strategies:

- Sapphire Star Small Cap
- Sapphire Star Covered Call
- Sapphire Star Mid Cap
- Sapphire Star Partners L.P.

Sapphire Star is the sub-advisor to the following 40 Act mutual fund:

- Yorktown Small-Cap Fund

Sapphire Star participates in a limited number of arrangements where we provide investment recommendations pursuant to a model portfolio management agreement. In these instances we do not exercise investment discretion.

We manage assets on both a discretionary and non-discretionary basis. We manage the private fund on a fully discretionary basis.

Wrap Fee Programs

Sapphire Star participates in certain Wrap fee or Managed Account Programs in which the client pays an “all-in” fee that includes brokerage fees and charges as well as a management fee. We may not have

discretionary authority to select the brokerage firm or the commission rates to be paid for Wrap Fee or Managed Account Program accounts. In some cases, clients direct us to use a particular broker (i.e., a custodian broker, a Wrap fee or Managed Account Program broker, or a referring broker). Please refer to Item 12, Brokerage Practices, for more information regarding brokerage selection.

Assets Under Management

As of December 31, 2023, our total regulatory assets under management were approximately \$131,985,906. Of this amount, we managed approximately \$69,920,054 on a non-discretionary basis and \$62,065,852 on a discretionary basis.

Private Fund Recommendations to Clients; Investment Restrictions

Sapphire Star Partners L.P.

Sapphire Star Capital may recommend the purchase of interests in Sapphire Star Partners L.P. to persons who meet qualification requirements for an offering following an evaluation of the prospective client's particular financial circumstances, investment goals, liquidity needs and time horizons. In the event Sapphire Star recommends changes to limited partnership interest(s), Sapphire Star will inquire about changes in the client's circumstances or goals.

An investment in Sapphire Star Partners L.P. is illiquid and subject to strict limitations on withdrawals. Investors may withdraw only in the following circumstances:

As a limited partner, you may, on at least 30 days' advance written notice to Sapphire Star, withdraw all or part of your capital account balance as of the last day of any calendar quarter. In addition, if Mr. Borgen were to die or become disabled for a period of more than 60 days at a time when he is the principal portfolio manager of the private fund or if he were to resign as the principal portfolio manager of the private fund, you will be provided prompt notice. You will then have a special right to withdraw all or any portion of your Capital Account balance, on at least 30 days' advance notice, at the end of the calendar month in which the 30-day notice expires. In all cases the amount of any partial withdrawal must be at least \$100,000 and must not reduce your Capital Account balance below the lesser of \$1,000,000 and your initial Capital Contribution. Limited Partners requesting withdrawal will bear the risk of any decline in value of your partnership interest during the period from the date of the notice of withdrawal until the effective withdrawal date.

Notwithstanding the above, Sapphire Star may suspend the right of withdrawal or postpone the date of payment for any period during which:

- Any exchange or over-the-counter market on which a substantial part of the securities owned by the private fund are traded is closed (other than weekend and holiday closings) or trading on any such exchange or market is restricted or suspended;
- There is a state of emergency, as a result of which it is not reasonably practicable for the private fund to dispose of its assets or to determine their value fairly;
- Any of the means normally employed in ascertaining the value of a substantial part of the private fund's assets breaks down or when for any other reason the value of such assets cannot reasonably be ascertained;
- The amount of requested withdrawals would (in the opinion of Sapphire Star) result in a disorderly liquidation of investments or a violation of investment policies; or;

- There are such other extraordinary circumstances, as Sapphire Star determines in good faith, that cause withdrawals or such payments to be impracticable under existing economic or market conditions or conditions relating to the private fund (such as the receipt from private fund investors of notices of withdrawal of amounts aggregating more than twenty-five percent of the capital account balances of all of the private fund investors or the inability or inadvisability, in Sapphire Star's opinion, to liquidate securities.

Sapphire Star Capital may waive or permit exceptions for any investor in the private funds.

An investment in Sapphire Star Partners L.P. is illiquid and subject to strict limitations on withdrawals. Investors may withdraw only in the following circumstances:

Item 5 - Fees and Compensation

Investment Advisory Accounts

In general, we charge an annualized management fee based on the value of the advisory client's separately managed account that we manage or advise. We assess management fees quarterly. Depending on the terms of the management agreement we have entered into with the advisory client, we typically calculate quarterly management fees based on the value of the advisory client's accounts on the last day of a quarter or the first day of the following quarter. Fee amounts and payment provisions are included in the management agreement that we enter into with our advisory clients.

The amount of our management fee varies from client to client but will not exceed 1% per annum. On occasion, we charge advisory clients a performance-based management fee. We negotiate the terms of these performance-based arrangements on a case-by-case basis and include such terms in the management agreement that we enter into with the applicable advisory clients.

Sub-Advisory Accounts

Sapphire Star Capital receives management fees as compensation for performing sub-advisory services to other Investment Advisors. Sapphire Star receives a management fee as compensation for performing sub-advisory services to a 40 Act mutual fund. Fees for these services are negotiated separately with each adviser.

Private Funds

Sapphire Star Capital receives management fees as compensation for performing advisory services to Sapphire Star Partners L.P. The management fee is 2% per annum of the net assets of the Limited Partners. The management fees are payable monthly in advance, based on the net asset value of each limited partner's capital account on the first day of each calendar month. Sapphire Star may, in its sole discretion and without the consent of the other private fund investors, waive or reduce the management fee for limited partners, including for limited partners that are principals, employees or affiliates and/or for certain large or other investors it deems to be strategic.

The capital accounts of the private fund were created at the inception of the private fund based on the amount committed by the limited partners.

In the case of a termination of our investment management agreement with the private fund prior to the end of a month, the management fees for such period would be pro-rated to the date of such termination with any excess payment refunded to the private fund and credited to the limited partners' capital account.

Potential investors should review the fund's offering circular for a complete disclosure of fees and expenses.

Item 6 - Performance-Based Fees & Side-By-Side Management

Advisory Clients

As discussed in item 5 we will accept performance-based fees from clients as long as they qualify. We calculate a performance-based fee, based on a share of capital gains or capital appreciation of the client's assets. To qualify for a performance-based fee arrangement a client must meet all requirements of SEC Rule 205-3, including either demonstrating a net worth of at least \$2,100,000 or having at least \$1,000,000 under management, immediately after entering into a management agreement with Sapphire Star Capital.

Private Funds

Sapphire Star Partners L.P.

In addition to the management fee, 20 percent of the net profits initially allocated to each limited partners' capital account is allocated to the capital account of Sapphire Star as of the end of each fiscal year. In the event that a limited partner withdraws at any time other than the end of a fiscal year, such allocation or fee is made with respect to such partner on the applicable withdrawal date. The allocation or fee is subject to a loss carryforward limitation as outlined in the offering circular.

The performance-based fee is calculated as follows:

A portion of net profits initially allocated to each investor's capital account is allocated to the capital account of Sapphire Star Capital as of the end of each fiscal year. In the event that a limited partner withdraws at any time other than at the end of a fiscal year, the performance fee is allocated to the capital account of the withdrawing partner on the requested withdrawal date. We only charge performance fees to those advisory clients who are "qualified clients," as defined under the Investment Advisers Act of 1940, as amended.

Sapphire Star Capital may, in its sole discretion, waive or reduce the allocation or fee for limited partners that are principals, employees or affiliates and/or for such limited partners it deems to be strategic.

The capital accounts were created at the inception of the private fund based on the amount committed by limited investors to the private fund. Any limited partners admitted on a day other than the first day of the month, will be charged a pro rata portion of the management fee corresponding to the number of days remaining in the month.

In the case of a termination of our investment management agreement with the private fund prior to the end of a month, the management fees for such period would be pro-rated to the date of such termination with any excess payment refunded to the private fund and credited to the limited partner's capital account. In addition, the private fund is subject to an incentive allocation or fee which is payable to Sapphire Star Capital. Please refer to Item 6 below for an explanation of this fee.

Potential investors should review the offering circular of the private fund for a complete disclosure of fees and expenses.

Side-by-Side Management

Side-by-Side management refers to an investment adviser's business of managing accounts with similar investment objectives "similar accounts" and strategies simultaneously. When engaging in side-by-side management, the potential for conflicts of interests exist when Sapphire Star Capital and our employees and supervised persons allocate their time and services.

To the extent that the same securities might be desirable for more than one account, determining how to allocate them could create potential conflicts of interest. In addition to the potential performance-based fee conflicts of interest discussed above, other conflicts may include that we have a proprietary investment in similar accounts, or the order in which accounts make investment opportunities so that the transactions in one similar account closely follow related transactions in another account.

We have established policies and procedures designed to address these potential conflicts of interest. We rotate trading groups within each strategy to ensure that no account or group of accounts receive preferential treatment. Various factors exist, however, that may result in trades for a client not being aggregated with batched trades for other clients and clients receiving either a higher or lower price for the same security. For example, should clients direct all or a percentage of their trades to a specific broker or certain operation, differences inherent in the trade execution process may result in trades being affected either before or after trades for other clients. (Please refer to item 12, Brokerage Practices, for additional information on allocation and aggregation of trades and directed brokerage).

Item 7 - Types of Clients

Sapphire Star provides investment advisory services to the following types of clients:

- Investment companies
- Pooled investment vehicles
- Other investment advisors

Although Sapphire Star Capital provides discretionary management services directly to the private funds, each investor in the private funds is treated as a Sapphire Star client to whom we owe a fiduciary duty. Before you make an investment in our private fund, we obtain information from you, to make a determination as to the suitability of the investment based on certain criteria.

Each private fund investor is required to be an "accredited investor" meeting one of the qualifications below:

1. a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
2. a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
3. a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

In addition, each investor in Sapphire Star Partners L.P. must also meet the definition of "qualified client":

1. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000. For purposes of calculating a natural person's net worth:
 - a. The person's primary residence must not be included as an asset;
 - b. Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and
 - c. Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability; or
2. A natural person who has assets under management with Sapphire Star in excess of \$1,000,000.

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

Small Cap

The Sapphire Star Capital Small Cap strategy invests in U.S. listed securities with market capitalization within the range of the targeted benchmark, the Russell 2000 Growth Index. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). Typically, the strategy invests in approximately 40-60 stocks that pass Sapphire Star's stringent quantitative and fundamental criteria. The strategy invests in smaller capitalization stocks that may trade fewer shares than larger capitalization stocks; the liquidity risk among these types of stocks may increase the strategy's risk.

Mid Cap

The Sapphire Star Capital Mid Cap strategy invests in U.S. listed securities with market capitalization within the range of the targeted benchmark, the Russell Mid Cap Growth Index. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). Typically, the strategy invests in approximately 60-75 stocks that pass Sapphire Star's stringent quantitative and fundamental criteria. The strategy invests in smaller capitalization stocks that may trade fewer shares than larger capitalization stocks; the liquidity risk among these types of stocks may increase the strategy's risk.

Covered Call Growth

The Sapphire Star Capital Covered Call Growth strategy is designed for conservative equity investors and seeks to achieve greater returns than its blended benchmark while minimizing risk and generating income. The "covered call" strategy is one in which an investor writes a call option contract while at the same time owning an equivalent number of shares of the underlying stock. Writing call options generates income in the form of premium paid for the option to buy the stock at a certain price and date. The stock is generally held in the same brokerage account from which the investor writes the call, and fully collateralizes, or "covers", the obligation conveyed by writing a call option contract. By writing the call option, the owner of the stock is selling a contract to the buyer of the call option, giving the buyer the right to purchase the stock at a given price by a specified date. If the current market value of each security rises above the strike price in the contract, then the buyer will exercise the option, and the stock must be forfeited at the specified price. Additionally, by writing (selling) calls on a portfolio, writers are selling a portion of the stock's ability to appreciate. If the option expires while the stock's current market value is less than the strike price, the writer will keep the income generated from writing the options. The strategy's goal is to achieve the premium income while forfeiting the least amount of stock appreciation. To generate greater growth potential, the strategy will generally write covered calls on only a portion of the equity positions in the portfolio and will generally focus on higher dividend paying companies. Option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax advisor. Investors should read the option Clearing Corp's Option Disclosure provided by their brokerage firm or advisor carefully before investing. The strategy typically invests in approximately 20-30 stocks. Cash holdings may vary as widely as 5% to 50%. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs).

Covered Call Income

The Sapphire Star Capital Covered Call Income strategy is designed for conservative equity investors and seeks to achieve greater returns than its blended benchmark while minimizing risk and generating income. The "covered call" strategy is one in which an investor writes a call option contract while at the same time owning an equivalent number of shares of the underlying stock. Writing call options generates income in the form of premium paid for the option to buy the stock at

a certain price and date. The stock is generally held in the same brokerage account from which the investor writes the call, and fully collateralizes, or “covers”, the obligation conveyed by writing a call option contract. By writing the call option, the owner of the stock is selling a contract to the buyer of the call option, giving the buyer the right to purchase the stock at a given price by a specified date. If the current market value of each security rises above the strike price in the contract, then the buyer will exercise the option, and the stock must be forfeited at the specified price. Additionally, by writing (selling) calls on a portfolio, writers are selling a portion of the stock’s ability to appreciate. If the option expires while the stock’s current market value is less than the strike price, the writer will keep the income generated from writing the options. The strategy’s goal is to achieve the premium income while forfeiting the least amount of stock appreciation. TO generate greater income potential, the strategy will generally write covered calls on all equity positions in the portfolio and will generally focus on higher dividend paying companies. Option trading involves several inherent risks and is not suitable for everyone. Investors considering options should consult with a tax advisor. Investors should read the option Clearing Corp’s Option Disclosure provided by their brokerage firm or advisor carefully before investing. The strategy typically invests in approximately 20-30 stocks. Cash holdings may vary as widely as 5% to 50%. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs).

Sapphire Star Partners L.P.

The investment objective of Sapphire Star Partners L.P. is to achieve long-term capital appreciation through investments in securities of a core group of businesses and to hold such securities for the long term. We will invest in listed marketable securities, generally, but not exclusively, equity and equity-related securities that are traded on U.S. exchanges. This will include utilizing derivative securities such as options (puts and calls), and may also invest utilizing warrants, preferred stocks, non-U.S. securities and futures. The private fund will also engage in hedging strategies, margin trading and short selling.

The investment process begins with an evaluation based on several standard valuation metrics, both quantitative and qualitative in nature, as well as proprietary metrics developed by Sapphire Star Capital. We have a strong bias against excess volatility and thus we will seek out businesses that have historically demonstrated below average volatility based on several volatility metrics. We also have a bias toward businesses that produce constant and improving margins and that have demonstrated the ability to grow revenues, cash flow, and earnings. We recognize the difference between a good stock and a good business, and therefore, have the patience to wait for select investments in opportunistic holdings where a catalyst for instant performance is not present. We will seek out, utilizing proprietary risk/reward metrics, asymmetric opportunistic investments that we believe will increase the private fund’s risk/return characteristics by ultimately decreasing downside risk.

The performance of the private fund’s core equity positions is expected to be enhanced through the prudent use of shorter-term asymmetric securities, including derivatives, leverage, and other hedging strategies. The purpose of utilizing derivatives is to take advantage of short-lived price discovery mismatches that are a result of fluctuations in the volatility of the private fund’s core equity holdings, and that we believe can be exploited. Allocations to cash may fluctuate at times with the holding of securities that effectively place the private fund in a position of being more than 100% long. At times of adverse market conditions or when we believe that short-term future market advancement is inhibited, the private fund may hold securities that effectively place the partnership in a net short position.

You should consider an investment in the private fund to be a long-term investment, not intended to meet your short-term liquidity needs.

Material Risks. Any investor considering an investment in our private funds should consider it to be a speculative investment and one that is not intended to be a complete investment program. Our private fund is suitable only for sophisticated people who can or could bear the economic risk of the loss of the entire investment and have a limited need for liquidity related to this investment. There can be no assurances that our private funds will achieve its investment objective. Furthermore, you should carefully evaluate the following considerations, in conjunction with complete details outlined in our offering documents, prior to investing.

General Risk of Loss; Liquidity. Investing in securities involves risk of loss, including the possibility of losing all of your initial investment as well as any unrealized gains on investments. In addition, securities held in the private fund may underperform in comparison to the general securities markets or other asset classes. Our private funds may be invested in a variety of unconventional securities and other assets. A clear understanding of your tolerance for risk is essential before choosing to work with Sapphire Star. We do not guarantee returns and cannot eliminate risks. In addition, we cannot offer any guarantees or promises that your personal vision or financial goals and objectives will be met. In addition, general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances can materially affect the private fund. For example, any of these factors may affect price volatility and the liquidity of instruments held in the private fund. Even an instrument that generally is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on investments held in the private funds. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is a risk that the private funds would have to return the securities it borrows, in connection with a short sale, to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and the private fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly more than the proceeds received in originally selling the securities short.

Option Transactions. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change in price in the manner expected, so that the option expires worthless, and the investor loses its premium. Selling options, on the other hand, involve potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received. In addition, an option purchased or sold over-the-counter involves counterparty solvency risk.

Margin Borrowing. The private fund is authorized to engage in margin borrowing under Regulation T of the Federal Reserve Board's margin rules. Margin borrowing increases returns to investors if the Fund earns a greater return on leveraged investments than the cost of such leverage. However, the use of margin borrowing exposes the private fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the private fund not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the private fund's cost of leverage related to such investments. In case of a sudden, precipitous drop in asset value, the private fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred.

Lack of Diversification. The private fund is not as diversified as other investment vehicles. Accordingly, investments in the private fund are subject to more rapid change in value than would be the case if the private fund were required to maintain a wide diversification among types of securities, geographical areas, issuers, and industries.

Small and Mid-Capitalization Companies. The private funds may invest in smaller and less established companies (i.e., small-capitalization and mid-capitalization companies). These smaller companies may present greater opportunities for capital appreciation, but typically are more volatile and involve greater risk than companies that are larger and more established. Such smaller companies may have limited product lines, markets or financial resources and their securities may trade less frequently and in more limited volumes than the securities of larger, more mature companies. As a result, the prices of the securities of such smaller companies may fluctuate to a greater degree than the prices of the securities of other issuers and these companies may be more likely to fail, which could result in substantial losses.

Valuation. The private funds assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

Management. Our judgments regarding the attractiveness, value or potential appreciation of a particular asset class or investment may be incorrect and there is no guarantee that any asset class or instrument will perform as we expect. We may fail to implement a strategy as we intended or we may not identify all risks associated with a strategy or a shift in strategy, all of which may cause substantial losses.

Extraordinary Events. Global terrorism and armed conflicts may negatively affect general economic conditions, including sales, profits and production, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of the exchanges or markets on which we trade.

Regulatory Developments. The legal, tax and regulatory environment worldwide in the financial industry is evolving, and changes in regulations affecting the financial industry, including Sapphire Star and the issuers of financial instruments held in the private fund, may have a material adverse effect on our ability to pursue the investment strategies described above or the value of the instruments held in

the private fund. There has been an increase in scrutiny of the financial industry by governmental agencies and self-regulatory organizations. Various national governments have expressed concern regarding the disruptive effects of speculative trading and the need to regulate the financial markets in general. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business with broker-dealers and other counterparties could adversely affect the private fund.

Concentration. The private fund may hold highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

Limited Withdrawal Rights. There are limited withdrawal rights and restrictions on transfer, which creates a higher liquidity risk. You should view an investment in our private fund as a long-term investment.

Fees. Fees and expenses of the private fund may be a higher percentage of net assets than traditional investment strategies and qualified investors will be subject to performance or incentive fees or allocations (described in Item 6), in addition to management fees.

Key Man Risk. Sapphire Star is a smaller firm, Michael J. Borgen, is Sapphire Star's Managing Member and Chief Investment Officer. This fact leads to "key man risk," or the risk that something could happen to Michael that may negatively affect your investment in the private fund. There is no key-man insurance and Sapphire Star does not intend to obtain any key-man insurance.

The various risks briefly summarized above are not the only potential or actual risks associated with an investment in our private funds and nothing stated in the above risks should be interpreted to limit or modify Sapphire Star's fiduciary duty to you as an investor or waive any right or remedy you may have under federal or state securities laws. Federal and state securities laws impose liabilities under certain circumstances on a person who acts in good faith.

Before making any investment decision regarding our private fund, you must carefully review and evaluate all of the applicable documents, including the private fund's private offering circular, and the specific disclosures regarding risk factors and conflicts of interest.

Item 9 - Disciplinary Information

Neither Sapphire Star Capital LLC, nor Michael J. Borgen, its Managing Member, is or has been involved in any civil or criminal investment-related or other disclosable event.

Item 10 - Other Financial Industry Activities and Affiliations

Sapphire Star Capital is the General Partner of Sapphire Star Partners L.P. Michael J. Borgen is the Managing Member of Sapphire Star Capital. Sapphire Star Capital has no other affiliations.

Item 11 - Code of Ethics, Participation, or Interest in Client Transactions

Code of Ethics

Sapphire Star Capital has adopted a Code of Ethics (the “Code”) describing our high standards of business conduct and our fiduciary duty to clients. The Code includes provisions relating to the confidentiality of your personal information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment items, personal securities trading, and conflicts of interest, among other things. All supervised persons (employees) must acknowledge the terms of the Code initially upon hire as well as annually, or as amended. Furthermore, all employees must acknowledge the terms of the Code and abide by its provisions.

Employees of Sapphire Star Capital or supervised persons of the firm may buy or sell for their personal accounts investment products which may be identical to those recommended to clients. This creates a potential conflict of interest. It is our policy that Employees and or supervised persons may maintain personal securities accounts, Sapphire Star Capital has a fiduciary duty to clients, and therefore discourages frequent trading in personal accounts and requires that any personal investing by an employee or supervised person in any accounts in which the employee or supervised person has a beneficial interest is consistent with Sapphire Star’s personal trading guidelines and applicable regulatory requirements

Among other things, our Code of Ethics requires prior approval of any acquisition of securities in limited offering (private placements or initial public offering, policies prohibiting employees from using material non-public information to buy or sell securities (insider trading), disclosure of conflicts of interest, and policies for serving on boards, receiving/giving gifts, and political contributions. Our Code also discusses recordkeeping provisions, oversight and enforcement.

All reportable transactions are in accordance with the reporting requirements outlined in the Code; and personal trading is continually monitored in order to reasonably prevent conflicts of interest between Sapphire Star Capital and its investors. Sapphire Star’s Chief Compliance Officer is responsible for reviewing all transactions in accounts for which its employee is either a beneficiary or associated with the account through family or other beneficial ownership, as described in the Code.

A copy of our Code will be provided to you upon request.

Participation or Interest in Client Transactions

We will from time to time, seed a proprietary account for the purpose of establishing an investment strategy. Proprietary accounts may invest in the same securities as client accounts. It is our policy to treat proprietary accounts in the same manner as client accounts for the purposes of trading allocations.

We are the investment sub-advisor to the Yorktown Small Cap Fund (YOVIX, YOVAX, YOVLX). This fund may invest in the same securities as client accounts. It is our policy to treat this fund in the same manner as client accounts.

Conflicts of Interest

Conflicts Related to Performance-Based Fees (Incentive Allocation)

Conflicts relating to performance-based fees are addressed in Item 6 and are mitigated by the fact that Sapphire Star Partners L.P. is managed pursuant to a single investment strategy and is subject to the same incentive allocation rate. In addition, the existence of the incentive allocation may create an incentive for Sapphire Star Capital to make investments that are riskier or more speculative than would be the case if this allocation were not made. To address these conflicts, our policies and procedures require that investment decisions be made based on our judgment as to the best interests of our clients, without consideration of Sapphire Star's or any employee interests.

Conflicts Related to Brokerage

Sapphire Star Capital has retained the StoneX Financial Inc., to serve as its prime broker. StoneX Financial Inc., clears through Pershing LLC. Pershing LLC acts as custodian to our private fund.. There are no known conflicts of interest between Sapphire Star Capital and StoneX Financial Inc.

Conflicts Related to Sapphire Star Capital or its Employees Trading for Their Own Account.

Investments by Sapphire Star Capital or its employees, for their own accounts, in securities that are also held in the private funds or client accounts could give the perception of interfering with our fiduciary duty of making decisions which are in the best interest of our clients and could otherwise have a disadvantageous effect on the values, prices or trading strategies of the private funds. Our personal trading policy, described above, has been developed to address this particular conflict by prohibiting transactions in securities held in the private fund or client accounts through a personal securities account. However, an exception may be granted for certain securities held in employee accounts that are also held in the private funds or client accounts. In such a case, it may be that the securities were purchased in advance of implementing our personal trading policy or an employee may come to us with positions already established prior to their employment. As such, these securities are deemed to be "grandfathered" securities. However, in any case it will require prior written approval from the Chief Compliance Officer, prior to initiating a disposition, to ensure such disposition will not be disadvantageous to our clients.

Conflicts Related to Investors/Side Letters

A side letter is an agreement with an investor in a private fund, which establishes different rights or privileges with respect to withdrawal rights, fees and/or incentive allocations. Sapphire Star Capital may enter into such agreements with certain investors in the private fund. Any of these situations subjects Sapphire Star Capital to potential conflicts of interest. We attempt to resolve such conflicts in light of our obligations to investors in the private funds.

Item 12 – Brokerage Practices

In certain cases, Sapphire Star has discretion over what securities are bought or sold and the amount to be bought or sold for the private funds, the broker or dealer to be used as well as the commission rates to be paid. In selecting brokers or dealers to execute transactions, we are not required to solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

In selecting brokers and negotiating commission rates, we consider the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. Sapphire Star may occasionally place transactions through its Prime Broker, StoneX Financial Inc., which provides the opportunity to participate in capital introduction events sponsored by the broker or who refers investors to Sapphire Star Capital. However, transactions with such a broker would only be done if otherwise consistent with our policy with regards to seeking “best execution.”

Sapphire Star does not participate in any directed brokerage arrangements and does not select brokers based upon investor referrals.

Research and Other Soft Dollar Benefits

Section 28E of the Securities Exchange Act of 1934, as amended, provides that Sapphire Star may pay a broker dealer a commission in excess of the amount another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker-dealer. When allocating brokerage business, we may give preference to broker-dealers that provide statistical research or other services, so long as we believe the objective of best execution is not being sacrificed. We may obtain research products or services that fall within the ‘safe harbor’ established by Section 28(e) of the Securities Exchange Act of 1934. We may purchase brokerage or research services consistent with the requirement of Section 28(e) with soft-dollar commissions generated by trades for the private fund. When using such commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.

Because the research and services received benefit us, it creates a conflict of interest for Sapphire Star Capital when choosing how to allocate our brokerage business. In other words, we could have an incentive to execute transactions through a broker-dealer that provides valuable services or products to us and pay transaction commissions charge by that broker-dealer, rather than based on whether the client receives the most favorable execution for a given transaction. It also creates incentive for the client to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.

We do not exclude a broker-dealer from consideration when making a trading decision regarding the client simply because the broker-dealer has not provided research services or products to us, although we may not be willing to pay the same commission to that broker-dealer.

We have various controls in place designed to manage these conflicts, including:

- On a periodic basis, we review soft dollar practices to determine that commissions paid were reasonable in relation to the value of research or services received;

- We review commission rates periodically relative to peers;
- We periodically review products and services acquired with soft dollar commissions to assess their benefit to the client.

In addition, we address some of these conflicts by “unbundling” the commission amounts we pay to many of our executing broker-dealers. This means that we have agreed with those broker-dealers that a predetermined amount (e.g., 1.5 cents) of commission will represent execution services provided by the broker-dealer and the remainder of the commission (e.g., 1.5 cents) will be allocated to soft dollars. Pursuant to commission sharing agreements we have with those broker-dealers, each broker-dealer places the amount of commissions allocated to soft dollars in an account for our benefit. We then periodically direct the applicable broker-dealer to pay itself or third parties out of the account for products or research created or developed by it or those third parties.

If we receive a product or service that has a research or brokerage use and a non-research or non-brokerage use, we will use our judgment to make a reasonable allocation of the cost of the product or service according to its use (i.e., the component that relates to research or brokerage use vs. the component that relates to non-research or non-brokerage services). We would then pay the portion allocable to research or brokerage using soft dollars, while paying the portion allocable to non-research or non-brokerage portion using hard dollars paid by us. In making an allocation, we will consider users of the product or service and usage, including relative importance, costs of use, frequency of use, and available substitutes.

Services we may acquire with soft dollars include research reports, counsel on market analysis and execution strategies, discussions with research analysts, research related to the market for securities, including pre- and post-trade analytics, meetings with corporate executives to obtain verbal reports, seminars or conferences, software that provides analysis of portfolios, corporate governance research and market data, company financials and economic data. We allocate soft dollars to a broker-dealer to receive the broker-dealers proprietary research (i.e., research created or developed by the broker-dealer to which we are allocating soft dollars), and we also use soft dollars generated with a broker-dealer to pay for research created or developed by a third-party. In the case of a third-party, the broker-dealer may provide us with such third-party research or may pay such third-party directly and instruct the third-party to deliver the research to us.

We might also receive brokerage-specific services, including communication services related to execution, clearing and settlement of transactions and other functions incidental to effecting securities transactions, post-trade matching, electronic communication of allocations routing and settlement instructions, trading software to route orders to market centers or brokers and direct market access.

Item 13 - Review of Accounts

Reviews

Michael J. Borgen, the Chief Investment Officer, continuously reviews the sub-advisory accounts, separately managed accounts, and the private funds to ensure all investments are consistent with the investment objectives, philosophy, strategy and methodologies that we have described to investors in our offering documents, and to ensure that he is comfortable with the general levels of investment, position concentration, and other measures of risk and potential reward in the portfolio.

Reporting

Client Reports

Reports are generated as requested by our clients. We may send monthly or quarterly performance, current holdings, transaction activity, brokerage commissions, and other reports as reasonably requested by clients. Additional client reporting is available upon request. We typically do not provide account reporting unless specifically requested.

Private Fund Reports

On a monthly basis, the private fund's Third-Party Administrator prepares and delivers to each Limited Partner, an account statement.

On an annual basis, each investor receives a copy of the private fund's audited financial statement prepared by our independent auditors and including tax-reporting information. Sapphire Star also provides additional information as requested, provided that such requests are deemed reasonable in content and scope and that we are prepared to supply the same level of information to other investors who may ask for similar information.

Item 14 - Client Referrals and Other Compensation

Sapphire Star Capital does not currently have any arrangements in place to compensate third parties for client referrals.

Item 15 - Custody

Sapphire Star does not maintain physical possession of client cash and/or securities. Physical location aside, however, we are deemed to have custody of client funds and securities under the Securities Act as a result of the authority of Sapphire Star, to cause payments of management fees and other expenses to be made from the private funds, and the overall access we have to the cash/cash equivalents and securities of the private fund.

Consistent with the requirements under the Securities Act, the assets of Investors are held in accounts maintained with Northbrook Bank and Trust, StoneX Financial Inc., Pershing Advisor Solutions LLC, Charles Schwab and Inspira Financial (formerly Millennium Trust Company), who serve as our current custodians for the private fund. All are a “qualified custodian” within the meaning of the Securities Act. Our custodians hold all private fund assets in a separate account.

In addition, the annual financial statements of the private funds are prepared in accordance with GAAP, audited by an independent accounting firm registered with the Public Company Accounting Oversight Board and distributed to all Limited Partners within 120 days of the private fund’s fiscal year end.

Item 16 - Investment Discretion

Currently Sapphire Star Capital has non-discretionary authority over most of the sub-advisory accounts that it manages.

Sapphire Star has full discretionary authority over all assets it manages for the private funds and client's managed accounts. However, it should be noted that Sapphire Star does not provide advisory services directly to investors in the private fund.

Sapphire Star has full discretionary authority over the 40 Act mutual fund that is sub-advises. This discretion is pursuant to an investment management agreement.

Item 17 - Voting Client Securities

Sapphire Star Capital has the authority to vote securities held in the private fund and in discretionary strategies, which we exercise in accordance with our written proxy voting policies and procedure. Our policy defines procedures for voting securities for the benefit of, and in the best interest of, the private fund and discretionary strategies. The objective of voting a security in each case under our policy is to seek to enhance the value of the security, or to reduce potential for a decline in the security's value. Our policy does not prescribe specific voting requirements or specific voting considerations. Instead, it provides procedures for applying the informed expertise and judgment of the Chief Investment Officer on a timely basis. However, we may refrain from voting in certain circumstances. For instance, we refrain from voting a proxy if we conclude the potential impact on shareholders' interests is insignificant while the cost associated with analyzing and voting the proxy may be significant.

We believe that an important consideration in the framing of a proxy voting policy is the need to avoid unduly diverting resources from our primary responsibilities to add value to our clients' investments through portfolio management and client service. Sapphire Star's policy has been prepared on this basis. We do not consider it feasible or desirable to prescribe, in advance, comprehensive guidelines as to how we will exercise proxy voting authority in all circumstances. The primary aim of our approach to corporate governance issues is to encourage a culture of performance among the companies in which we manage investments in order to add value to our portfolio, rather than one of mere conformance with a prescriptive set of rules and constraints. In our proxy voting policy, we describe some factors we are likely to consider when approaching votes on matters where some general observations may be drawn, but the facts and circumstances of the issuer at the time of each vote ultimately guides our voting decision.

Sapphire Star Capital will use reasonable efforts to determine whether a potential conflict may exist with respect to voting proxies. We are sensitive to conflicts of interest that may arise in the proxy decision-making process, and we have identified potential conflicts as part of our policies and procedures. Materiality determinations will be based on an assessment of the particular facts and circumstances and in consultation with outside legal counsel, as necessary. If we determine that a material conflict of interest exists between the interests of Sapphire Star Capital and the interest of the private fund with respect to a vote, we will retain a proxy voting service, or turn to another independent third party, to determine the manner in which such vote should be cast.

A copy of our Proxy Voting Policy and Procedures, as well as information related to how proxies were voted, may be obtained by contacting us via email at mnchicoine@sapphirestarcapital.com

Item 18 – Financial Information

As a registered investment adviser, we are required to provide you with certain financial information or disclosures about our financial condition. Such information is available to you upon request.

Sapphire Star has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Sapphire Star Capital does not collect any fees, 6 or more months in advance.



Form ADV – Part 2B
(Brochure Supplement)
March 29, 2024

Item 1. Cover Page

This Brochure Supplement contains information regarding Michael J. Borgen

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In this Brochure Supplement, we use the terms Sapphire, us, we and our to refer to Sapphire Star Capital LLC.

This Brochure Supplement provides information about Mr. Borgen and supplements our Brochure (Form ADV – Part 2A). You should have received a copy of that Brochure. please contact our Chief Compliance Officer at 425.576.4083 or via email – mnchicoine@sapphirestarcapital.com if you did not receive the brochure or if you have any questions about this Supplement.

Additional information about Mr. Borgen is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

We have included details regarding the background and experience of Mr. Borgen below, including his year of birth, business background and formal education after high school.

Michael J. Borgen, Chief Investment Officer and Portfolio Manager

Born 1974

Educational Background:

M.S. in Economics from the University of Nevada

B.S. in Finance from the University of Nevada.

Business Experience:

Mr. Borgen founded Sapphire Star in 2014. Mr. Borgen is one of our Portfolio Managers and currently serves as our Chief Investment Officer. Prior to establishing Sapphire Star Capital in 2015, Mr. Borgen was a Senior Portfolio manager at Navellier & Associates for nearly 20 years. Mr. Borgen started his career at Navellier as a Quantitative Research Analyst in 1995 focusing on developing systems branching out from the firm's flagship Small & Small to Mid-Cap Growth portfolios.

In 1997, Mr. Borgen developed the Navellier Small-Cap Value Strategy and acted as the strategy's portfolio manager when the firm launched the strategy as a no-load mutual fund with an inception date of December 19, 1997 through August of 2002. In 1998, Mr. Borgen took over the reigns as the portfolio manager of the Navellier Mid-Cap Growth Strategy and continued to manage the strategy.

In 2002, Mr. Borgen assumed responsibility for the management of the Micro-Cap Growth, Mid-Cap Growth, and the long side of the Navellier Heritage Strategy; a Long/Short Equity Strategy. In January of 2003, Mr. Borgen assumed the portfolio manager role for the Navellier Small-Cap Growth Strategy.

In 2004 Mr. Borgen was promoted to Senior Portfolio Manager and continued with his responsibilities of portfolio management and client communications.

In 2006 and 2009 respectively, Mr. Borgen created the Large-Cap Core and Covered Call strategies. Both products were created with the intent of reducing volatility to counter the market irrationality and provide greater stability during adverse market fluctuations.

Item 3. Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Borgen. We do not have any information to disclose in this Item.

Item 4. Other Business Activities

Mr. Borgen is not currently engaged in any other business or operation.

Item 5. Additional Compensation

Mr. Borgen does not receive any compensation or economic benefit from third parties for providing investment advisory services.

Item 6. Supervision

Mr. Borgen's activities on behalf of Sapphire Star Capital are monitored by the firm's Chief Operating Officer & Chief Compliance Officer. The firm has adopted policies and procedures to oversee, monitor and control the activities of its Supervised Persons, one of which is Mr. Borgen.

The person responsible for monitoring the advice and activities provided by Mr. Borgen is Meghan Chicoine, Chief Operating Officer & Chief Compliance Officer.

Meghan Chicoine
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