

Spanos Barber Jesse & Co., LLC “SBJ Capital”



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This brochure provides information about the qualifications and business practices of Spanos Barber Jesse & Co., LLC (“SBJ” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (415) 848-1990. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of SBJ or its personnel.

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

Item 2. Material Changes

There are no material changes to report since the last Form ADV amendment dated March 30, 2023.

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Item 4. Advisory Business

SBJ provides investment advisory services to private equity funds and other pooled investment vehicles (collectively, together with any future private investment funds to which SBJ and/or its affiliates provide investment advisory services (each a “Fund” and collectively, the “Funds”)) that are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The investors in the Funds include, among others, individuals, trusts, limited partnerships and limited liability companies. Such investors are generally referred to throughout as “investors” or “Limited Partners.”

SBJ is a Delaware limited liability company originally organized in 2013. SBJ is principally owned by Gus Spanos and Tom Barber. The Managing Directors of SBJ, which includes Messrs. Spanos and Barber as well as three other individuals, have an average of over 25 years of experience growing businesses in the lower middle market consumer and services industries in North America over multiple business cycles as operating executives and principal investors. SBJ’s investment strategy focuses primarily on companies in which its investment represents the first institutional equity capital invested in the business, allowing it to make a significant and positive impact by leveraging its operational and strategic experience (each a “Portfolio Company,” and collectively, the “Portfolio Companies”).

SBJ provides investment advisory services to the SBJ Funds pursuant to separate investment advisory agreements. The terms of the advisory services to be provided by SBJ to a Fund, including any specific investment guidelines or restrictions and fees, are set forth in each of the Fund’s investment advisory agreements, partnership agreements, operating agreements, or offering/private placement memoranda and subscription agreements (together, “Governing Documents”). The Governing Documents are negotiated before commencement of the Fund. SBJ has in certain instances entered into agreements, commonly known as “side letters,” with certain investors under which the Firm waives or modifies certain investment terms for those investors, without obtaining the consent of any other investor in the Funds.

SBJ does not participate in wrap fee programs.

As of December 31, 2023, SBJ managed \$615,714,461 of regulatory assets on a discretionary basis.

Item 5. Fees and Compensation

SBJ’s fees and compensation arrangements vary by Fund. The specific terms of such arrangements are set forth in each Fund’s Governing Documents.

Certain Funds pay a management fee (“Management Fee”), which is typically calculated as a percentage of assets or gross commitments up to 2% per annum across the Funds. The Management Fee is also a stated amount of dollars in some instances. The Management Fee is negotiated as part of the negotiation of the Governing Documents of a Fund and is paid from the Fund. The Management Fee is typically paid quarterly in advance and investors are generally not allowed under the Governing Documents of a Fund to withdraw capital without the consent of the General Partner, in its sole discretion.

Regarding SBJ Fund II, LP and SBJ Fund II-A, LP, to the extent specified in a Fund’s Governing Documents, Management Fees are reduced (or “offset”) by other costs paid by the Fund. For example, excess

organizational costs above a certain amount reduce Management Fees by the excess amount. Management Fees are also reduced by fees paid by a Fund to a placement agent. Transaction Fees (such as for monitoring or consulting services) received by SBJ from Portfolio Companies also reduce Management Fees generally to the extent of SBJ Fund II, LP's and SBJ Fund II-A, LP's relative ownership or anticipated ownership of such Portfolio Company or prospective Portfolio Company on a fully-diluted basis, or in such other manner as the General Partner determines to be appropriate. SBJ retains the first \$250,000 of fees per calendar year, and 20% thereafter. It's important to carefully review each Fund's Governing Documents for the details of these terms.

Other pooled investment vehicles allowed to make investments in the same companies alongside the SBJ Funds (the "Co-Investment Vehicles") typically do not pay asset-based fees, as these investors also have commitments and pay Management Fees to other Funds managed by SBJ. However, certain Co-Investment Vehicles are required to pay a management fee as described in the relevant Fund's Governing Documents. The Co-Investment Vehicles pay (or reimburse SBJ) all costs regarding the administration of a Fund and its investments. These are specified in each Fund's Governing Documents, but generally include all fees, costs and liabilities of the Fund related to an audit, tax preparation, attorneys, consultants and general administration. It's important to carefully review each Fund's Governing Documents for the details of these terms.

Regarding SBJ Fund II, LP, SBJ Fund II-A, LP and SBJ Fund II-B, LP all fees, costs, expenses, liabilities and obligations relating to the Fund or the Fund's and/or its subsidiaries' activities, business, Portfolio Companies or actual or potential investments (to the extent not borne or reimbursed by a Portfolio Company or potential Portfolio Company), including all fees, costs, expenses, liabilities and obligations relating or attributable to the following shall be borne by the Fund or its subsidiary (note this is not an exhaustive list and it's important to review the Governing Documents):

- placement fees
- organizational expenses
- unreimbursed expenses and unpaid fees of the operations group or its members, employees or other persons engaged by the operations group
- compliance with any tax or financial account reporting regime
- the preparation, distribution or filing of partnership-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with Limited Partners or any other administrative, compliance or partnership-related or investment-related regulatory filings or reports, or other information, including fees and costs of any third-party service providers, distribution agents and professionals related to the foregoing
- directors and officers liability, errors and omissions liability, cybersecurity, crime coverage and general partnership liability premiums and other insurance
- legal, accounting, research, auditing, administration (including fees and expenses associated with the partnership's third-party administrator, third-party consultant and administration, tracking or reporting software or services, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the operations group or any of its members, consultants performing investment initiatives and other similar consultants)
- activities with respect to origination and sourcing of investment opportunities for the partnership
- activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing Portfolio Companies (including follow-on investments) whether or not any transaction is consummated

Item 6. Performance-Based Fees and Side-by-Side Management

SBJ is entitled to performance-based fees up to 20% of net profits (more detail below). The Co-Investment Vehicles typically do not pay performance-based fees, as these investors also have commitments to other performance-based fee-paying Funds. Because the Co-Investment Vehicles typically do not pay fees but invest in the same companies as those Funds that pay performance-based fees, SBJ does not believe there exists a material conflict by which some Funds are considered over others regarding the diligence in managing Fund investments. The payment of the performance-based fees is subject to certain conditions (commonly referred to as a “waterfall”) being satisfied, such as perhaps the payment to Fund investors of a predetermined rate of return on their invested capital. The specific waterfall for each Fund can be found in its applicable Governing Documents.

Item 7. Types of Clients

SBJ provides discretionary investment advice to the Funds. The Funds’ investors are limited to individuals, trusts and entities that meet certain suitability criteria including “accredited investors,” “qualified clients” and “qualified purchasers.” The Fund’s minimum investment is \$5 million however, SBJ can accept lesser amounts at its discretion.

An investment in one or more Funds should be based on a prospective investor’s careful analysis of their overall portfolio and their own objectives and needs in the areas of diversification, liquidity, return on investment and risk management.

Each Fund imposes minimum investor qualification standards. Investors in the Funds should review the respective Fund’s Governing Documents for additional information regarding suitability and the subscription process.

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

SBJ intends to make control investments in lower middle market consumer and services businesses in North America. The targeted businesses generally are expected to have an enterprise value of approximately \$30 to \$125 million. SBJ focuses on companies in which its investment represents the first institutional equity capital invested in the business, with the goal of making a significant and positive impact by leveraging SBJ’s operational and strategic experience. SBJ is a value-oriented investor that seeks to invest in high quality, lower middle market consumer and services companies with strong growth prospects at attractive multiples, a strategy the Firm refers to as “Value Investing in Growth Industries” or “VIGI.” This strategy targets companies that can be acquired at valuations that SBJ believes are below the intrinsic value of the businesses and are undervalued because prior ownership and/or the market did not recognize the growth potential of the business, or, in some instances, because the company was not marketed or was poorly positioned by an intermediary in a sales process.

The investment analysis process begins with the sourcing of transactions. SBJ applies a multi-faceted strategy to source investment opportunities that the Managing Directors developed at prior firms and refined at SBJ. SBJ seeks to source a large number of opportunities at the “top of the funnel” then efficiently narrow the funnel to focus on the opportunities that meet SBJ’s criteria and could potentially be acquired at a “value-oriented” price. SBJ then follows a consistent and rigorous due diligence process

to evaluate an opportunity and provide a foundation for its investment decisions, which requires a comprehensive understanding of a company's business and industry. For each new investment opportunity, a deal team conducts a detailed review of the company typically including its financials, industry or market, product or service, differentiation and barriers to entry, competitive landscape, operations, management team, risks, and value creation opportunities. The final presentation is reviewed by the Investment Committee. Final investment decisions regarding either purchases or dispositions require approval of at least four of the five members of the Investment Committee.

Material Risks

There are significant risks inherent in this investment strategy. An investment in the Funds is highly speculative and involves certain risks, potential conflicts of interest and tax considerations that prospective investors should consider before subscribing and, therefore, should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks that it represents. There can be no assurance that a Fund will be able to implement its stated investment strategy or achieve its investment objective, or that investors will receive a return on their capital. Set forth below is a summary of some of the investment risks disclosed in greater detail in each of the Funds' offering documents. Please refer to each of the Funds' Governing Documents for more information on these and other risks relating to SBJ's business and investments in the Funds.

Risks Related to the Business. A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. In addition, the securities may be amongst the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Leveraged Investments. The Funds may (and in some cases, expect to) make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company and/or to finance a portfolio company's operations. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of loss may be substantial. The Funds' portfolio investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return.

Litigation. In the ordinary course of its business, the Funds may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Managing Directors' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

General Tax Considerations. An investment in the Funds involves complex U.S. and non-U.S. tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of SBJ will be based primarily upon economic, not tax, considerations and could

result, from time to time, in adverse tax consequences to some or all investors. There can be no assurance that the structure of the Funds or of any investment will be tax-efficient for any particular investor. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations.

Conflict of Interest. In connection with managing the Funds, the Managing Directors will devote the amount of time needed to properly conduct the affairs of any individual Fund. However, at any given time, the Managing Directors may be obligated under Governing Documents to devote substantially all their business time to certain Funds or affiliated entities (see Item 10 for additional related information), and so not all Funds will receive the same amount of the Managing Directors' business time. Additionally, companies themselves in which some Funds are invested may compete with the companies of other Funds. SBJ believes that the significant investment of the Managing Directors in the Funds generally (though each Managing Director may not be directly or indirectly invested in every Fund, and some none at all), as well as the Managing Directors' interest in performance-based and asset-based fees when charged, operate to align, to some extent, the interest of the Managing Directors with the interest of all the Partners generally, although the Managing Directors have or may have different economic interests in different Funds. Specifically, the Managing Directors may not have a direct commitment to a Co-Investment Vehicle, but the Co-Investment Vehicle may be charged performance-based and/or asset-based fees, and the investment(s) made by the Co-Investment Vehicle are in the same companies as other Funds in which the Managing Directors have invested commitments (and also charge performance-based and/or asset-based fees). Please see the Governing Documents of the SBJ Funds for a more comprehensive listing and explanation of potential conflicts of interest.

Inflation. Inflation could affect the Fund's investments adversely in a number of ways. During periods of rising inflation, interest rates and dividend rates related to portfolio investments could increase, which would tend to reduce returns to Funds and any underlying investors. In addition, inflationary expectations or periods of rising inflation could also be accompanied by the rising price movement of equity and other investments in the Funds. During periods of high inflation, capital could flee to other asset classes, which could adversely affect the prices at which the Fund will be able to sell its portfolio investments. The market value of such investments/holdings is also subject to decline in value in times of higher inflation rates. Therefore, it should be noted that Inflation and rapid fluctuations in inflation rates have had in the past, and will likely in the future have, negative effects on U.S. and non-US economies and financial markets as a whole and not just on the Firm.

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, global pandemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Further, the outcome of any future U.S. state, local and/or federal election and changes in the control of the U.S. state, local and/or federal legislative and executive branches during a Fund's term could result in significant changes in laws and regulations affecting the consumer and/or the private fund industry. In addition, elections may be disputed and/or lead to regional or widespread civil unrest. The likelihood of occurrence and the effect of any such events is highly uncertain and has the potential to have an adverse impact on a Fund and its investments. Moreover, changes in U.S. social, political, regulatory and economic conditions (including, but not limited to, a recession, inflation and/or deflation) and/or in laws and policies governing foreign trade, manufacturing, development and investment could adversely affect the performance of a Fund's investments. In addition, negative sentiments towards the United

States as a result of trade and other policies could adversely affect sales, cost of goods and other operations of portfolio companies.

International Conflicts. War and other international conflicts, such as the Israeli-Hamas conflict and the ongoing military conflict between Russia and Ukraine, have caused disruptions to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. The effects, scale and impact of these conflicts and those involving other countries is highly uncertain and cannot be predicted. Presently, none of the Funds has investments in these direct conflict areas, and their portfolio investments presently have limited exposure to events there. However, it is difficult to predict the outcome of these events, and they could negatively affect the value and liquidity of the Fund's investments due to the interconnected nature of the global economy and capital markets.

Distress Events. A Fund's investment is subject to the risk that one of the Fund's banks, lenders or other custodians of some or all of the Fund's (or any portfolio company's) assets (each a "counterparty") is unable to perform its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). A Distress Event can be caused by a variety of factors, including but not limited to, eroding market sentiment, a change in interest rates, significant customer withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces, or accounting irregularities. If a Fund's counterparty experiences a Distress Event, the Firm, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time or ever. Although many regulated banks and broker-dealers in the United States insure assets up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, or the Securities Investor Protection Corporation, respectively, amounts in excess of the relevant insurance are subject to risk of loss, and any counterparties that are not subject to similar arrangements pose increased risk of total loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event can adversely affect SBJ's ability to manage the Funds and their investments, and the ability of the Firm, any Fund and/or portfolio company to maintain operations, resulting in significant losses. If a counterparty experiences a Distress Event, this could cause Funds to be unable to draw capital on a credit line to close a transaction or acquire or dispose of investments at prices that reflect the fair value of such investments; investors to be unable to make capital contributions or otherwise; and/or portfolio companies to be unable to make payroll, fulfill obligations and maintain operations. If a Distress Event leads to a loss of access to a counterparty's services, it is also possible that SBJ will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expense and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Firm will be able to exercise contractual remedies under the agreements with counterparties, there can be no assurance that such remedies will be successful or avoid losses or delays, or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a counterparty utilized by investors of a Fund or suppliers, vendors or service providers of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many counterparties, as a condition to using their services (including lending services) that require the Firm and/or the Fund to maintain all or a set amount or percentage of their respective accounts or assets with such counterparty or its affiliate(s), which increases the risks associated with a Distress Event with respect to such counterparty. Although the Firm seeks to do business with counterparties that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Firm is under no obligation to use a minimum number of counterparties with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Public Health Emergencies. Pandemics and other widespread public health emergencies, including but not limited to any outbreaks, re-outbreaks and mutations of infectious diseases such as COVID-19, SARS, H1N1/09 flu, avian flu, Ebola or other existing or new epidemic diseases, or threat thereof, could have a significant adverse impact on a Fund and its investments and could adversely affect the Firm's ability to fulfill a Fund's investment objectives. The extent of the impact of any public health emergency on a Fund's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Fund's investments, the Firm's ability to source, manage and divest investments on behalf of a Fund, and the ability to achieve a Fund's or investment objectives, all of which could result in significant losses to the investors. In addition, the operations of a Fund, its Portfolio Companies, and the Firm could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) will also increase the risks inherent in Fund investments and could have a negative impact on the performance and/or valuation of the portfolio companies.

Artificial Intelligence. The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, "Machine Learning Technology") can pose risks to the Firm, Funds, and their investments. While the Firm prohibits the use of Machine Learning Technology in substantial business activities, the Firm is nonetheless exposed to the risks of Machine Learning Technology from any uses of Machine Learning Technology that may be undertaken by the Firm personnel in contravention of the Firm's restriction, or by third-party service providers, portfolio investments, any counterparties to Funds, or their underlying investments, whether or not known to the Firm. Use of Machine Learning Technology involves the risk of inaccuracies or errors in the data utilized by Machine Learning Technology, may directly or indirectly create security or data risks, and may increase

trademark, licensing and copyright risks. Machine Learning Technology continues to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Cybersecurity. SBJ, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and/or investors, despite the efforts of SBJ and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of SBJ, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of SBJ's systems to disclose sensitive information in order to gain access to SBJ's data or that of the members. A successful penetration or circumvention of the security of SBJ's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, SBJ or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for portfolio companies, which could have material adverse consequences for such portfolio companies and may cause the Fund's investments to lose value.

Force Majeure Risk. Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, pandemics, fire, flood, weather, earthquakes, war, terrorism, and labor strikes. Some force majeure events may adversely affect a party's ability to perform its obligations, under a contract or otherwise, at least until it is able to remedy the force majeure event. In addition, the cost of repairing or replacing damaged assets could be considerable and may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. Force majeure events that are incapable of, or costly to, cure may also have a permanent adverse effect on client accounts and/or its investments and, potentially, the surrounding community, and may result in losses far in-excess of available insurance coverage.

Similar to the recent global outbreak of COVID-19, future pandemics could negatively impact the financial results of the Firm and the Fund's investments due to, among other things, (a) disruptions to business operations resulting from reduced consumer spending, travel restrictions, shelter-in-place orders from federal, state, local and foreign governments, and quarantines of employees, customers and suppliers in areas affected by the outbreak, (b) closures of manufacturing facilities, warehouses and logistics supply chains and (c) uncertainty about the duration of the virus' impact on financial markets. As experienced with COVID-19, as a pandemic continues to spread, the potential impacts, including a global, regional or other economic recession, as well as the scale of such impacts, are increasingly uncertain and difficult to assess.

Side Letters. Certain of the Funds for which SBJ or its affiliates serve as investment manager, has entered into and expects in the future to enter into agreements, or "side letters," with certain prospective or existing investors whereby such investors, including in some cases investors that are affiliated with the Firm or its related persons, are subject to terms and conditions that are more advantageous than those

set forth in the Governing Documents for the particular Fund and which apply to other investors in the Fund. For example, a side letter could provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; provide a waiver or rebate in fees to be paid by the investor and/or other terms; include rights to receive reports from a Fund on a more timely or frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio investments) and such other rights as may be negotiated by the investors. While the ability of a Fund or its affiliates to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such “side letters” or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

Business Continuity and Disaster Recovery. As described above, SBJ’s business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics, terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although SBJ has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

SBJ has developed and tested a business continuity and disaster recovery plan (“BCP”) to provide protocols in an emergency such as COVID-19. These procedures are designed to limit disruption in services and maintain efficient and effective operations. SBJ has performed comprehensive Firm-wide BCP testing which has proven the Firm has a well-defined plan and its controls and policies are effective.

Item 9. Disciplinary Information

There have been no legal or disciplinary events to disclose that are material to an investor or prospective investor’s evaluation of SBJ’s advisory business or integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Neither SBJ nor its affiliates are registered, nor have an application pending to register as a broker-dealer. Further, neither SBJ nor its affiliates are registered, nor have an application pending to register as a futures commission merchant, commodity pool operator, a commonly trading adviser, or an associated person of the forgoing entities.

SBJ Co-Invest GP, LLC is an affiliate of the Firm and serves as the general partner of AMS Plus Fund, LP, Armor Express Co-Invest, LP, Armor Express Debt Co-Invest, LP, CDM SBJ Partners 1, LP, Core Fitness Fund, LP, SBJ Dennis Co-Invest 1, LP, SBJ Dennis Co-Invest 2, LP, and SBJ Dennis Co-Invest 3, LP. SBJ Co-Invest GP, LLC is also the Manager of TPPNV Pomelo Partners, LLC.

SBJ General Partner, LLC is an affiliate of the Firm and serves as the general partner of SBJ Fund, LP. SBJ Fund, LP was SBJ’s initial Fund and was licensed as a Small Business Investment Company (“SBIC”) with the Small Business Administration. Pursuant to the exemption for SBIC’s under 203(b)(7) of the Advisers Act, SBJ Fund, LP’s assets under management are not included in SBJ’s total regulatory assets under

management reported in ADV Part 1A or in Item 4 above. SBJ Fund, LP is closed to new investors and will make no more platform investments.

SBJ Co-Invest GP II, LP is an affiliate of the Firm and serves as the general partner of SBJ Tribus Co-Invest, LP and R&R Winery Partners, LP.

SBJ General Partner II, LP and SBJ UGP II, LLC (its general partner) are affiliates of the Firm serve as the general partner of SBJ Fund II, LP and SBJ Fund II-A, LP.

SBJ Strategic Advisors, LLC is an affiliate of the Firm and primarily provides consulting services not related to SBJ Funds or their investments. SBJ Strategic Advisors, LLC does not provide advisory-type services. This activity along with any additional personal or family investment time spent by the Managing Directors (additional details below and Item 8) could conflict with time devoted to SBJ Funds and entities. Additionally, the companies themselves of these additional activities could compete with companies within SBJ's Funds. Currently, these conflicts do not exist in SBJ's view given the de minimis amount of time spent by the Managing Directors on this activity.

Regarding SBJ Fund II, LP, SBJ Fund II-A, LP, and SBJ Fund II-B, LP until the Investment Period expires or SBJ launches an additional Fund, the Managing Directors shall devote substantially all of their business time and attention to the affairs of SBJ Fund II, LP, SBJ Fund II-A, LP, the executive fund, the parallel fund and any alternative investment vehicle (and in the case of H. William Jesse, half of his business time), except for time and attention devoted to the affairs of the other SBJ entities, personal and family investment and advisory activities, and other such activities specified in the Governing Documents. As such, there could exist conflicts regarding time spent on the affairs of some Funds over others, as well as outside activities of the Managing Directors. Specifically, Mr. Jesse expects to spend a substantial portion of his business time and attention pursuing outside business activities unrelated to the Funds or their investments, including consulting for businesses that are in the same industries as the Funds intend to invest, which has the potential to pose conflicts of interest including to the extent such businesses compete with the Funds' portfolio companies. Neither SBJ nor any of SBJ's professionals are required to devote their entire time and attention to the affairs of any one of the Funds but are expected to commit a substantial portion of their time and attention to the Funds.

From time to time, SBJ will engage the services provided by one of the Portfolio Companies in which a Fund invests. SBJ may be granted a discount for those products or services at the discretion of the Portfolio Company. This discounted rate received by SBJ may create an incentive to make investments on behalf of the Funds in companies that would provide preferential pricing and otherwise benefit the Firm. SBJ generally does not request discounts unavailable to other customers and believes its interest in the performance-based and asset-based fees of SBJ Funds acts to align its interests with those of the SBJ Funds and investors.

Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, SBJ adopted a Code of Ethics (referred to in this brochure as the "Code") to ensure that SBJ fulfills its role as a fiduciary to the Funds. The interests of the Funds must always be recognized, respected, and have precedence over SBJ employees. The Code requires that SBJ employees and certain associated persons act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to

the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. SBJ employees are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by SBJ or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of SBJ's personnel. The Code requires that personnel pre-clear certain transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis and submit reports to SBJ regarding personal accounts and reportable securities holdings at least annually. The Code also (i) addresses outside activities of employees, conflicts of interest, and policies and procedures concerning the prevention of insider trading, (ii) includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and (iii) addresses the pre-clearance and reporting of political contributions. Employees are required to provide a written certification to SBJ agreeing to comply with the Code. Copies of this Code may be requested by contacting SBJ's Chief Compliance Officer at cward@sbjcap.com.

Neither SBJ, nor any of its related persons, directly buy securities from or sell them to Funds as a matter of general practice, and in any case, without the approval of the Limited Partner Advisory Committee.

As a matter of general practice, neither SBJ, nor any of its related persons, acquire or sell securities that are also recommended to the Funds, nor in which a prospective investment is actively being considered. SBJ and its related persons are not precluded from certain activities specified in the Governing Documents, however, such as investing through another existing or subsequent Fund managed by SBJ (provided that, to the extent practicable, the investment is made on substantially the same terms and at the same time as the other Fund).

The Funds do not invest directly in securities in which SBJ, nor any of its related persons, has a material economic interest. As specified in a Fund's Governing Documents, however, a Fund will not be precluded from investing in a company in which an existing or subsequent Fund managed by SBJ holds an interest (provided that, to the extent practicable, the investment is made on substantially the same terms and at the same time as the other Fund).

Allocation of Investment Opportunities. The General Partner will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable, consistent with the General Partner's obligations, and may take into consideration some or all of a range of factors including (but not limited to) amounts of uncalled commitments that could be used to fund an opportunity and any investment mandates or restrictions in the applicable Governing Documents. Note that regarding SBJ Fund II, LP and SBJ Fund II-A, LP, the General Partner will also determine in its sole discretion to allow for an executive fund to invest side-by-side with the Fund, generally in an amount of the percentage proportion of the executive fund's commitments compared to the Fund(s) commitments.

Co-Investment Opportunities. The General Partner is permitted, in its sole discretion, to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, the General Partner may consider some or all of a range of factors including (but not limited to) amounts of uncalled commitments that could be used to fund an opportunity and any investment mandates or restrictions in the applicable Governing Documents.

Item 12. Brokerage Practices

SBJ generally does not make recommendations for investments by the Funds in public securities as most investments are in privately negotiated private company transactions. Accordingly, SBJ does not typically select or recommend broker-dealers for client transactions. In the event that a broker-dealer is selected or recommended, SBJ employs a due diligence process to ensure that any such transaction is executed in the best interest of the Funds, taking into account certain factors such as a broker's execution capability and trading expertise, in addition to pricing.

- SBJ does not have any soft dollar arrangements.
- SBJ does not consider whether SBJ or a related person of SBJ receives Fund or investor referrals from a broker-dealer or third party because SBJ does not typically select or recommend broker-dealers.
- SBJ does not have directed brokerage dealings.

Generally, aggregation of the purchase or sale of securities for various Fund accounts does not apply to SBJ as SBJ primarily invests in private company transactions.

Item 13. Review of Accounts

SBJ actively monitors the performance of its Portfolio Companies relative to financial, operational and strategic objectives. Investment professionals for each deal interact with portfolio companies frequently, which typically includes weekly or bi-weekly calls with the CEO and/or CFO, monthly reviews focusing on day-to-day operating initiatives and the financial performance of the business, and quarterly board meetings focusing on longer-term strategic initiatives.

Within 120 days after each Fund's fiscal year-end (perhaps sooner in accordance with each Fund's Governing Documents), audited financial statements are prepared by an independent accountant pursuant to U.S. Generally Accepted Accounting Principles ("GAAP") and are distributed to each investor in the Funds (see Item 15). As part of this reporting process, SBJ performs valuations of Fund investments on a quarterly basis. Through this process, SBJ also evaluates the status of the underlying investments. SBJ also generally provides unaudited performance information of the Funds to investors on a quarterly basis (according to the Governing Documents). Additionally, SBJ typically provides tax reporting to Fund investors on an annual basis, in accordance with the Fund's Governing Documents. SBJ also distributes certain other reports to the Funds' investors upon specific requests from time to time.

Item 14. Client Referrals and Other Compensation

For certain of the Firm's Funds, the Firm entered into compensation arrangements for investor referrals. Such arrangements are conducted in a manner that is consistent with Rule 206(4)-1 under the Advisers Act. The Firm pays a fee that is a percentage of the capital commitment for investors referred to the Fund during the term of the agreement. Investors should be aware that the receipt of compensation by a placement agent or other third party could create a conflict of interest and affect the judgment of the placement agent or other third party, when making a recommendation for an investment in the Funds advised by the Firm.

SBJ does not receive economic benefit from someone who is not a client for providing investment advice or other advisory services to SBJ's clients.

Item 15. Custody

While the Firm or certain affiliates may be deemed to have custody of certain client funds and securities, the Firm itself does not maintain physical custody of such assets. As set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule. Additionally, SBJ delivers audited financial statements of the Funds to all investors in such Funds within 120 days of each Fund's fiscal year end. The financial statements are prepared in accordance with GAAP and are audited by an independent accountant.

Item 16. Investment Discretion

SBJ manages the business of the Funds and has discretionary investment authority to manage the making of new investments by the Funds, and the management of the existing investments held by the Funds. Generally, this authority is provided for in each Fund's Governing Documents. As described in Item 4, the Governing Documents are negotiated with potential investors prior to the commencement of a Fund.

Item 17. Voting Client Securities

SBJ's investment strategy does not generally involve the acquisition of public securities with voting authority or the exit of a portfolio company through the public equity markets, making it unlikely that a Fund will be placed in a position of proxy voting authority. However, if a Fund does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its clients.

Item 18. Financial Information

SBJ is not aware of any financial conditions that would be reasonably likely to impair SBJ's ability to meet contractual commitments to the Funds.