

PART 2A OF FORM ADV: FIRM BROCHURE

Item 1 – Cover Page

THE STAGWELL GROUP

**The Stagwell Group LLC
1808 I Street NW, Floor 6
Washington, DC 20006
Tel: (917) 765-8196
E: info@stagwellgroup.com**

This brochure (this “Brochure”) provides information about the qualifications and business practices of The Stagwell Group LLC (the “Firm,” “we,” “us,” and similar terms). If you have any questions about the contents of this Brochure, please contact us at (917) 765-8196. 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.

Additional information about The Stagwell Group LLC also is 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. The CRD number for The Stagwell Group LLC is 175350.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services.

March 28, 2019

Item 2 – Material Changes

This annual amendment to the Brochure, dated March 28, 2019, contains material changes from the previous Brochure, dated March 26, 2018, to reflect a change in the address of the Firm's principal office and place of business.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 – Disciplinary Information	15
Item 10 – Other Financial Industry Activities and Affiliations	16
Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading	17
Item 12 – Brokerage Practices	19
Item 13 – Review of Accounts.....	20
Item 14 – Client Referrals and Other Compensation.....	21
Item 15 – Custody	22
Item 16 – Investment Discretion.....	23
Item 17 – Voting Client Securities.....	24
Item 18 – Financial Information	25
Item 19 – Requirements for State-Registered Advisers.....	26

Item 4 – Advisory Business

- A. The Stagwell Group LLC (the “Firm” or “The Stagwell Group”) is a Delaware limited liability company that was formed in December 2014. The Stagwell Group currently has one office, which is located in Washington, D.C. The Firm serves as an investment adviser to pooled investment vehicles (each a “Client” or “Fund” and collectively, the “Clients” or “Funds”), which are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(7) of the Investment Company Act.

Mr. Mark J. Penn serves as the Firm’s principal owner and managing member (the “Managing Member”).

The Firm provides discretionary investment advisory services to its Funds, which primarily seek to acquire positions in data analytics, public relations, advertising and other media-related and/or communications companies (each a “Portfolio Company” and collectively the “Portfolio Companies”).

- B. The Firm manages the Funds in accordance with the investment objectives and limitations set forth in each Fund’s governing documents, and the investment management agreement between the Firm and each Fund. The descriptions set forth in this Brochure of the advisory services that we offer to the Funds, and investment strategies pursued and investments made by us on behalf of the Funds, should not be understood to limit the Firm’s investment activities. Subject to the provisions in each Fund’s investment objectives and guidelines, the Firm may, in its full discretion, offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate.
- C. The Firm utilizes a similar investment strategy for all its Funds; however, some Funds may differ slightly in their approach to investing, as further specified in each Fund’s governing documents. The Firm may also tailor the advisory services it provides to the Funds to the extent that certain investments cannot be held by certain Funds for legal and tax purposes. The Funds may not impose restrictions in investing in certain securities or types of securities.
- D. The Firm does not participate in wrap fee programs.
- E. As of December 31, 2018, the Firm managed approximately \$877,000,000 of assets on a discretionary basis and \$0 of assets on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. The Firm charges fees and is entitled to a performance-based profit allocation, which are outlined in each investment management agreement that is executed. The agreement sets forth the scope of advisory services, outlines the specific terms and conditions of the engagement and provides for the fees due to the Firm that are collected quarterly. Fees are non-negotiable but may be reduced or waived at the Firm’s discretion. The Firm is eligible to receive a performance-based profit allocation (“Carried Interest”) with respect to realized investments.
- B. The Firm is a private equity firm; as such, performance-based fees are billed to the Funds as investments are realized and not on any set schedule.
- C. In addition to the performance-based fees described above, the investors in each Fund directly or indirectly bear the Funds’ own operating expenses, generally including, but not limited to: (i) expenses incurred in connection with the investigation, acquisition, holding and disposition (or proposed disposition) of any investment, including without limitation, all reasonable travel expenses, long distance telephone expenses, accounting expenses, legal fees and disbursements, transfer agent fees and expenses, and expenses of other service providers, advisers and consultants; (ii) reimbursable Firm expenses; (iii) organizational expenses; (iv) fees and out-of-pocket expenses incurred in connection with the preparation or delivery of or otherwise relating to reports made to its members, including, without limitation, audit costs; (v) the Fund’s share of all costs incurred in connection with the preparation of or relating to reports required to be filed by or on behalf of the Fund in connection with the business of the Fund with any governmental authority, including, without limitation, any taxing authority; (vi) costs related to litigation involving the Fund or any of its investments, including, without limitation, attorneys’ fees incurred in connection therewith; (vii) costs related to the Fund’s indemnification or contribution obligations; (viii) interest on and fees and expenses arising out of any permitted borrowings made by the Fund; (ix) the costs of any litigation, director or officer liability or other insurance and indemnification or extraordinary expenses or liability relating to the affairs of the Fund; (x) unreimbursed out-of-pocket expenses related to transactions that are not consummated, including legal, accounting, investment banking, advisory, financing and consulting fees; (xi) any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; and (xii) expenses of liquidating and winding-up the Fund.

The Funds may incur brokerage and other transaction costs to the extent that a Fund may hold publicly traded securities. See Item 12, Brokerage Practices for a detailed discussion of the Firm’s brokerage practices.

The Firm receives advances in order to pay for Fund-related expenses, as outlined above. In addition, it may receive reimbursement of certain expenses from the Portfolio Companies as per the terms of the acquisition.

- D. The Firm charges and the Funds pay quarterly fees in advance on the first day of each quarter.

- E. Neither the Firm nor any of the Firm's supervised persons accept compensation (*e.g.*, asset-based sales charges or services fees) for the sale of securities or other investment products.

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

As outlined above, the Firm receives performance-based fees, in the form of Carried Interest, from every Fund. All performance-based fees are structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940 and the rules and regulations thereunder (the “Advisers Act”), including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance-based fee arrangements with “qualified clients”. Accordingly, the Firm seeks to ensure that all investors satisfy the qualifications of Rule 205-3, and have been advised of the terms of such performance-based fees and the associated risks.

Performance-based fees may create an incentive for the Firm to cause the Funds to make investments that may be riskier or more speculative than those which would be made under a different fee arrangement. However, the Firm is committed to fulfilling its fiduciary duty to the Funds to act at all times in the best interest of the Funds. To this end, the Firm has implemented internal controls to address the potential conflicts associated with performance-based fees.

Item 7 – Types of Clients

The Firm provides investment advice to the Funds, which are private fund investment vehicles that are exempt from registration under the Investment Company Act. These Funds are limited to individuals and entities that meet the criteria of “accredited investors” and/or “qualified purchasers”.

Prospective investors should refer to the governing documents of each respective Fund for information on minimum investment requirements or other such requirements for opening or maintaining an account.

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

A. Methods of Analysis and Investment Strategies.

As referenced in Item 4 above, we cause the Funds to invest exclusively in businesses serving the media and communications industry. The Funds generally invest across the breadth of the industry, including companies in data analytics, public relations and advertising, with a particular focus on new digital marketing. For every business in which the Funds invest, we develop sound, long-term strategic plans to build these businesses and we seek to provide the financial, human and intellectual capital necessary to execute these strategic plans and achieve sustainable long-term growth through a combination of organic growth, strategic investments and strategic acquisitions. The Firm may, from time to time, include leverage as part of its investment strategy and as such, its regulatory assets under management may be significantly higher than currently reported under Item 4.E.

A full description of our investment strategy and processes is included in the Funds' governing documents.

B. Risk of Loss.

General Risk of Loss. An investment in the Funds involves a high degree of risk, with the possibility of partial or total loss of capital, and members must be prepared to bear partial or total capital losses that might result from portfolio investments. The risks for each Fund include, but are not limited to, the following:

Newly Formed Entity; Prior Performance Information. The Firm is a newly organized entity that has no prior operating history or track record. The performance of any other investment entities associated with the Firm should not provide any assurances regarding the performance of the Funds. As with all performance data, past performance can provide no assurance of future results.

No Assurance of Investment Return. The Firm cannot provide assurance that it will be able to successfully source, complete and exit portfolio investments, that targeted returns for the Funds' investment objective will be achieved, or that an investor will receive return of its capital. An investment in the Fund is designed for sophisticated persons who are able to bear the economic risk of the loss of investment in a Fund and who have limited need for liquidity in such investment. An investment in the Fund requires a long-term commitment, with no certainty that the Fund will realize its rate of return objectives or that capital loss will not occur.

Uncertainty of Financial Projections. A Fund may use financial projections to help analyze a potential investment or future capital raises and financing for Portfolio Companies or other transactions. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic

conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

Valuations. The Funds' assets may be invested in securities and other assets that are illiquid or very thinly traded. These investments may be extremely difficult to value accurately. Valuations of some or all of the Funds' investments will require input from the Firm and third parties. Valuations requiring input from the Firm or third parties may be based on subjective inputs of the Firm or such third parties. In some cases, valuation of certain investments may be based upon models, indicative quotes or estimates of value and not actual executed historical trades. There can be no assurances that illiquid investments (if any) can be disposed of or liquidated at the valuations established by the Firm or other third parties.

Financial Market Fluctuations. General fluctuations in prevailing acquisition multiples, public market equity valuations and interest rates may adversely affect the value of the Portfolio Companies held by the Fund. Instability in interest rates and valuation metrics may also increase the risks inherent in the Fund's portfolio investments.

General Economic Conditions and Recent Events. Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. Market uncertainty has increased dramatically, particularly in the United States and Europe, and adverse market conditions have expanded to other markets. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads, an acute contraction in the availability of credit and a lack of price transparency. These volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed-income and other securities and this volatility may continue and conditions could even deteriorate further. Some of the largest banks and companies across many sectors of the economy in the United States and Europe have declared bankruptcy, entered into insolvency, administration or similar proceedings, been nationalized by government authorities, and/or agreed to merge or be acquired by other banks or companies that had been considered their peers. The long-term impact of these events is uncertain, but could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity.

Investments made by the Funds are sensitive to the performance of the overall economy. General fluctuations in the market prices of securities and interest rates may adversely affect the value of the Funds' investments. There can be no assurances that conditions in the global financial markets will not worsen. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could adversely affect the access to capital, ability to utilize leverage or overall performance of the Funds or their Portfolio Companies and these or similar events may affect the Firm's ability to execute its investment strategy.

Illiquid and Long-Term Investments. Certain investments of the Funds are likely to be illiquid. Generally, the return of capital or realization of gains will require a disposition of some or all of the Funds' investments. The Funds' ability to dispose of its investments may be limited for several reasons, including the absence of an established market for the Funds' investments and legal, contractual or other restrictions on resale. Dispositions of the Funds' investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded instruments or securities of an issuer may also be subject to legal or contractual restrictions on resale, including the possibility that the Firm will be in possession of material non-public information about such issuer. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to the instruments or securities of a Portfolio Company and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative only and not exhaustive, the Funds will generally not be able to realize an investment in a Portfolio Company if such Portfolio Company remains a privately-held entity until the sale of such entity. In some instances, the sale of Investments held by the Funds may require lengthy negotiations. There can be no assurance that the Funds will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity with respect to an investment in a Portfolio Company may continue even if a Portfolio Company obtains a listing on a securities exchange.

Operating and Financial Risks of Portfolio Companies. Companies in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, an economic downturn or unexpected litigation or adverse regulatory proceedings. As a result, companies which the Firm expected to be stable may operate at a loss or have significant variations in operating results and may require substantial additional capital to support their operations or to maintain their competitive position, which may not be available on favorable terms or at all. This may result in a weak financial condition, financial distress or bankruptcy.

Non-Controlling and Control Person Liability. The Funds may hold non-controlling interests in a Portfolio Company and, therefore, may have a limited ability to protect its positions in such Portfolio Company. Conversely, subject to the underlying documentation of a Portfolio Company, in certain circumstances, the Funds may hold a controlling interest in a Portfolio Company or have the ability to exercise control over such Portfolio Company. The exercise of control over a Portfolio Company may impose additional risks of liability for pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability for which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Funds having such controlling

interests might suffer a significant loss. The exercise of control over a Portfolio Company could expose the assets of the Fund having such controlling interests to claims by such Portfolio Company, its security holders and its creditors. The possibility of successful claims cannot be precluded.

Use and Availability of Leverage; Recent Changes in Credit Markets. The Funds may leverage their investments with debt financing at the Portfolio Company level or the Fund level. Utilization of such leverage will result in fees, expenses and interest costs. Although the use of leverage may enhance returns and increase the number of investments that can be made by a Fund, it may also substantially increase the risk of loss. Furthermore, although the Firm will seek to use leverage in a manner it believes to be appropriate under the circumstances, the leveraged capital structure of a Portfolio Company will increase the exposure of such Portfolio Company to adverse economic factors (such as rising interest rates, downturns in the economy or a deterioration in the condition of a Portfolio Company or its industry), each of which may impair such Portfolio Company's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. If any such factors cause or contribute to a Portfolio Company's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, such Portfolio Company's flexibility to respond to changing business and economic conditions may be constrained materially and the value of a Clients' investments could be significantly impacted.

Financing Arrangements. To the extent that a Fund enters into financing arrangements, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for such Funds. Also, a Fund may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If such Fund were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and such Funds might be forced to sell some of its assets to fund such costs. A Fund might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of the Firm to adopt the financial structure (e.g., by reducing levels of borrowing) which it would have adopted in the absence of such covenants. In addition, in certain circumstances, the capital commitments of a Funds' investors may be pledged to secure financing arrangements for such Fund.

Litigation. The nature of the business of the Portfolio Companies exposes the Portfolio Companies and each of their respective affiliates generally to the risk of third-party litigation. Furthermore, the adoption of new or enhancement of existing laws and regulations may increase the risk of litigation. Any such litigation would likely have a negative financial impact on one or more Funds.

Reliance on Portfolio Company Management. Each Portfolio Company's day-to-day operations are the responsibility of such company's management team. Although the Firm is responsible for

monitoring the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor, will be able to operate the Portfolio Company to achieve the Fund's plans and projected investment returns.

Risk of Fraud in a Portfolio Company. Although the Firm performs significant due diligence with respect to each portfolio investment, the risk of fraud cannot be eliminated. In the event of fraud by any company in which the Fund invests, the Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other portfolio investments.

Additional Capital. The Fund's Portfolio Companies may require additional capital in the event of an economic downturn, changes in the competitive environment, unexpected litigation or adverse regulatory proceedings or otherwise. There can be no assurance that the Fund will have sufficient funds to make additional investments or the ability to do so, or that the Portfolio Company will be able to obtain such needed capital from third parties on favorable terms or at all. Any decision by the Fund not to make follow-on investments or its inability to make them, or the Portfolio Company's inability to obtain additional capital from third parties on favorable terms, may have a substantial negative impact on a Portfolio Company in need of such an investment. If additional capital is obtained from third parties, the Fund's interest in the Portfolio Company may be diluted or otherwise materially adversely affected.

Material, Non-Public Information. By reason of their responsibilities in connection with their business activities, the Managing Member and other personnel of the Firm may (i) acquire confidential or material non-public information that they will not be able to use for the benefit of the Fund or (ii) be restricted from initiating transactions in certain securities. Accordingly, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell securities of a publicly-traded portfolio investment that it otherwise might have sold.

Risks in Effecting Operating Improvements. The success of the Fund's investment strategy will often depend, in part, on the ability of the Fund to effect improvements in the operations of a Portfolio Company. Identifying and implementing operating improvements at Portfolio Companies entails substantial uncertainty. There can be no assurance that the Fund will be able to successfully effect such improvements.

Disposition of Private Investments. In connection with the disposition of privately held Portfolio Companies, a Fund may be required to make representations about the business and financial affairs of a Portfolio Company typical of those made in connection with the sale of a business. A Fund also may be required to indemnify the purchasers of such Portfolio Company to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the members of a Fund to the extent of distributions made to such members.

Cybersecurity Risks. The Firm, the Funds and their service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Firm, the Funds and their service providers use to service the Funds' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Firm, the Funds and their service providers. Cyber-attacks against or security breakdowns of the Firm, the Funds or their service providers may adversely impact the Funds and their investors, potentially resulting in, among other things, financial losses; the inability of the Firm or Fund investors to transact business and the Funds to process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Firm and the Funds may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the Funds invest, which may cause a Fund's investment in such issuers to lose value. There can be no assurance that the Firm, a Fund or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

The foregoing information regarding the risks relating to an investment of the Funds provides general information based on the Funds' investment strategies. For specific information regarding the risks of investing in a particular Fund, investors should refer to that Fund's governing documents.

Item 9 – Disciplinary Information

Neither the Firm nor any of its management persons has been the subject of any such legal or disciplinary events that are material to a Client’s or prospective Client’s evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Firm nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither the Firm nor any of its management persons has any relationship or arrangement that is material to the Firm's advisory business or its Funds with the related persons described in the instructions to this Item.
- D. The Firm does not recommend or select other investment advisers for its Funds.

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

- A. The Stagwell Group has adopted a written Code of Ethics (the “Code”) pursuant to SEC rule 204A-1, which establishes the standard of business conduct that all employees must follow in upholding the Firm’s fiduciary duty to its Funds. The Code is designed to promote high ethical standards and sets forth internal policies and procedures designed to address and mitigate actual and potential conflicts of interest between the Firm, its employees and its Funds. All employees are required to certify annually that he or she has read, understands and agrees to abide by the Code, including the insider trading policies and procedures set forth therein. The Code also establishes guidelines for the appropriate handling and containment of any material non-public information to which an employee may be exposed.

The Code also contains controls implemented by the Firm designed to monitor and mitigate potential conflicts of interest, including specific policies to address, among other things, outside activities of employees, the prevention of insider trading, and restrictions on the acceptance or offer of significant gifts.

Further, the Firm has adopted a formal personal trading policy which imposes restrictions on employee trading of most securities without the approval of the Firm’s CCO, prohibits purchasing securities in an initial public offering, requires pre-clearance before purchasing securities in a limited offering (*i.e.*, a private placement) and requires periodic reporting of employees’ personal securities transactions and all holdings. The Firm closely monitors the personal trading of employees and prohibits excessive personal trading. All employees are required to certify annually that he or she has read, understands and agrees to abide by the Code and all policies and procedures set forth therein.

Clients may request a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

- B. Although unlikely, from time to time, consistent with a Fund’s investment objectives and subject to satisfaction of the policies and procedures set forth in the Firm’s policies and procedures, the Fund’s governing documents and applicable law, the Firm may recommend that a Fund acquire or sell an investment which an employee of the Firm has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested employee could benefit from such a purchase or sale of the applicable investment by a Fund. However, the Code is designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions, and to ensure that the Firm fulfills its role as a fiduciary to the Funds. In particular, the Code requires that the Firm and its employees act in the best interests of the Funds, in good faith and in an ethical manner.
- C. Neither the Firm nor any of its related persons invests in the same securities that are recommended to the Firm’s Clients.
- D. (See Item 11 B.) In the unlikely event that the Firm or a related person recommends securities to a Fund, or buys and sells securities on behalf of a Fund, at or about the same time that the

Firm or a related person buys or sells the same securities for its or their own account, the CCO will make a determination on a case by case basis to address such a situation and any conflicts of interest that such a transaction would present.

Other Potential Conflicts of Interest. Certain of the Firm's employees have made capital commitments and thus will have a direct financial interest in the transactions of the Funds. Investments by such related persons are intended to align the interests of the Firm and its related persons with those of the Funds; however, such investments may create conflicts of interest. To address such conflicts, the investment arrangements are described and agreed upon in each Fund's governing documents.

Valuation. The Firm is primarily responsible for valuing the assets of its Funds and does so internally; the Firm may also utilize a third party for valuation purposes. Due to the nature of its investments strategy, many of the Fund assets are priced in the absence of a readily available market and are priced on determinations of fair value, which may prove to be inaccurate. The valuation of Fund investments in Portfolio Companies is determined based on, to the extent possible, the most currently available data. On a regular, ongoing basis, the Firm obtains updates on each Portfolio Company's financial performance, as well as information on economic and industry trends and other operational issues. Conflicts of interest may arise with the presentation or reporting of valuations to investors or otherwise.

Time Management. Personnel of the Firm devote such time as, in their discretion, deemed necessary to carry out the operations of the Funds effectively. Certain personnel also work on other projects; conflicts of interest may arise in allocating management time, services or functions among responsibilities.

Conflicts of interest not described herein may also exist. The Firm can give no assurance that any conflicts of interest will be resolved in favor of a particular Fund or investors in such Fund.

Item 12 – Brokerage Practices

- A. The Firm does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that it typically purchases or sells on behalf of its Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions. However, from time to time, the Firm may use a broker-dealer to facilitate the sale of a Portfolio Company. Due to the unique and highly fact-specific nature of such transactions, the Firm will select a broker-dealer for such transaction based on factors relevant to the specific situation.
1. The Firm does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with Fund securities transactions (“soft dollar benefits”).
 2. The Firm does not consider, in selecting or recommending broker-dealers, whether the Firm or a related person receives Client referrals from a broker-dealer or third party.
 3. The Firm does not engage in directed brokerage.
- B. Due to the nature of the Firm’s strategy, there are no purchase or sale orders of securities that are aggregated for various Client accounts.

Item 13 – Review of Accounts

- A. Each Fund’s portfolio is monitored and reviewed on an ongoing basis by the Firm’s Managing Member, who is primarily responsible for portfolio and risk management. Each Fund’s portfolio is reviewed in the context of each Fund’s stated investment objectives and guidelines.
- B. A targeted review of a Fund account may be triggered by material changes in key variables that may affect the performance of the Portfolio Companies, including, without limitation, changes in the financial markets or activity and trends in the political or economic environment.
- C. The Firm reports to its Funds informally on an ongoing basis regarding updates on the performance and status of the Portfolio Companies and to discuss economic developments, industry outlook and other issues that might impact them. Additionally, the Firm provides a written report to its Funds on a quarterly basis (generally within 90 days after the end of each fiscal quarter) providing narrative and unaudited summary financial information with respect to the Funds and a summary in reasonable detail of each Portfolio Company, the material developments with respect thereto and the Funds’ investments therein. Further, audited financial statements are provided to investors in each Fund, generally within 120 days of the end of the Fund’s fiscal year as required by Rule 206(4)-2 under the Advisers Act (the “Custody Rule”).

Item 14 – Client Referrals and Other Compensation

- A. The Stagwell Group does not plan to receive economic benefits from anyone who is not a Client for providing investment advice or other advisory services to the Clients.
- B. Neither the Firm nor its related persons directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

Item 15 – Custody

All cash and certificated securities for the Funds are held in custody by independent, qualified custodians. However, the Firm has access to Client accounts because it serves as a member of the Funds. In accordance with Rule 206(4)-2 under the Advisers Act, the Firm arranges for the Funds' financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The Firm distributes such audited financial statements to all members of the Funds within 120 days of the end of each Fund's fiscal year.

Item 16 – Investment Discretion

The Firm accepts full discretionary authority to manage securities accounts on behalf of its Funds and makes investment recommendations and decisions as deemed by the Firm in its sole discretion to be suitable for the Funds, in accordance with each Fund’s investment management agreement, or similar agreement, as applicable. The investment recommendations and decisions made with respect to each Fund are subject to each Fund’s investment objectives and guidelines, as set forth fully in its governing documents.

Item 17 – Voting Client Securities

- A. The Stagwell Group’s investment strategy does not generally involve the acquisition of publicly-traded securities; as such, it is unlikely that any Funds will be the subject of proxy proposal, amendments, consents or resolutions (each, a “Proxy”; collectively, “Proxies”). In the event that any of the Funds do come into possession of securities with Proxy voting rights, the Firm will accept the authority to vote Proxies in its sole discretion and will vote in a manner that will serve the applicable Fund’s best interests and investment objectives.

In limited circumstances, the Firm may refrain from voting Proxies where we determine there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of a Fund. Generally, the Funds or investors in the Funds may not direct or vote Proxies.

The Firm will provide Clients with a record of how proxies were voted or a copy of the Firm’s proxy voting policies upon request.

- B. Not applicable.

Item 18 – Financial Information

- A. The Firm does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance, and therefore has not included a balance sheet.
- B. The Firm does not believe that there are any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to its Funds.
- C. The Firm has never been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.