

Strength Capital Partners, LLC

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This brochure provides information about the qualifications and business practices of Strength Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 248-593-5800 or mark@strengthcapital.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.

Additional information about Strength Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov

We are a registered investment adviser with the SEC. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2: Material Changes

Since the last amendment to this brochure, we have amended the brochure to disclose risks related to recent market developments. See “Item 8: Method of Analysis, Investment Strategies and Risk of Loss” for a discussion of these risks.

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Item 4: Advisory Business

Strength Capital Partners, LLC provides investment supervisory services, on a discretionary basis, for the following private equity funds (the “Funds”): Strength Capital Partners II, LP; Strength Capital Partners III-Special Situations, LP; and Strength Capital Partners III-Special Situations (AIV), LP.

We currently make private equity investments through Strength Capital Partners II, LP; Strength Capital Partners III-Special Situations, LP and Strength Capital Partners III-Special Situations (AIV), LP. The majority of these investments are control buyouts of private US-based lower middle market businesses. A small portion of the Funds’ investment capital has been invested in minority interests in private US-based lower middle market businesses to be used as growth capital.

Strength Capital Partners, LLC also evaluates and recommends the purchase of a controlling position in companies through the formation of collective acquisition vehicles (the “Holding Companies”): Americlean Holdings, LLC, DTM Holdings, LLC; SCP Safety, LLC; SCP TBI LLC; SCP ESP, LLC; Universal Holdco, LLC and CalCo Holdings, LLC. In connection with the Holding Companies, Strength Capital Partners, LLC may also enter into a management assistance services agreement with the controlled company pursuant to which Strength Capital Partners renders general corporate management assistance and advice on strategy, organization, corporate finance, business investment and the general operation of the business of the company and its subsidiaries (referred to herein as “Consulting Services”).

The total assets under management of the Funds is \$7,092,658 as of December 31, 2019. The total assets under management of the Holding Companies is \$82,554,000 as of December 31, 2019. As of December 31, 2019, we did not manage any assets on a non-discretionary basis.

We have been in business since June, 2000. Our principal owners are Mark McCammon and Michael Bergeron.

Item 5: Fees and Compensation

We charge the Funds a fee of 0.5 of the amount of average invested capital for the immediately preceding quarter which will be paid quarterly in advance of the first day of each calendar quarter. This fee is deducted from the Funds' assets. Assets of accounts which have a family or business relationship to each other may be aggregated for purposes of determining the percentage fee applicable to each account. Fees are negotiable. Investment Advisory Agreements may be terminated by either us or the client with at least 90 days prior written notice. In the event of termination, fees paid in advance are refunded on a pro-rata basis according to the terms of the Investment Advisory Agreement. We may enter into fee arrangements which are based upon a share of capital appreciation of managed accounts over a period of time. Any such fee arrangement will be made in compliance with applicable state securities laws and regulations thereunder.

With regard to Consulting Services, we charge a quarterly service fee equal to up to three percent (3.0%) of a company's EBITDA, subject to an agreed to minimum.

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

Although we have the authority to enter into such an arrangement, we do not charge advisory fees based on a share of the capital appreciation of the Funds or securities in a client account (so called performance based fees) at this time. Our advisory fee compensation is charged only as disclosed in Item 5.

At the end of each fiscal year, an incentive allocation of twenty percent (20%) of the limited partners' net profit will be allocated to the General Partner, subject to a "loss carryforward" provision and a required return threshold. Under the "loss carryforward" provision, the fiscal year's net profit subject to an incentive allocation will be reduced by all prior fiscal year net losses that were not subsequently offset by net profits. In addition, the incentive allocation will only be paid if the limited partners' net profit (before the incentive allocation) exceeds an annual return of six

percent (6%) for the current fiscal year. Both the “loss carryforward” provision and the six percent (6%) annual return threshold must be met in the current fiscal year for an incentive allocation to be made to the General Partner. To date, the General Partner has elected to not assess the incentive allocation for all limited partners.

The side-by-side management of both the Funds and other accounts may raise potential conflicts of interest (for example, cross trades between the Funds and another account and allocation of aggregated trades among the Fund and other accounts). We have developed policies and procedures reasonably designed to mitigate these conflicts. In particular, we have adopted policies limiting the ability to effect cross trades and policies to ensure the fair allocation of securities purchased on an aggregated basis.

Item 7: Types of Clients

We manage three private equity funds; namely Strength Capital Partners II, LP, Strength Capital Partners III-Special Situations, LP and Strength Capital Partners III-Special Situations (AIV), LP.

We also evaluate and recommend the purchase of a controlling position in companies through the formation of collective acquisition vehicles: Americlean Holdings, LLC, ; DTM Holdings, LLC; SCP Safety, LLC; SCP TBI LLC; SCP ESP, LLC; Universal Holdco, LLC and CalCo Holdings, LLC. In connection with these Holding Companies, we may also enter into a management assistance services agreement with the controlled company pursuant to which we render consulting services.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss

We have a fundamental approach to our securities analysis, relying on the inspection of corporate activities as an information source. When implementing our investment advice given to clients, our investment strategy involves long-term purchases. Please note that investing in securities does include the risk of loss that a client should be prepared to bear.

Our primary investment strategy is that of leveraged buy-outs of lower middle market companies located in the United States. Virtually all investments are made in the form of equity and therefore have a risk of a 100% loss. Additionally, most companies that are purchased are done so using significant leverage. This leverage increases the chance of loss. It is generally a certainty that some loss will occur in the investments of any individual fund. With respect to private equity in general, however, we do not have a strategy of assuming unusual risks. Our risk level and risk tolerance could be characterized as standard.

In the past decade financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. A rise in protectionist trade policies, slowing global economic growth, risks associated with pandemic and epidemic diseases (such as SARS-CoV-2, which causes coronavirus disease 2019, or COVID-19), risks associated with the United Kingdom's departure from the European Union, the risk of trade disputes, and the possibility of changes to some international trade agreements, could negatively affect the value of companies in which we invest, in ways that cannot necessarily be foreseen at the present time. Recently, pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may negatively impact the value of the companies in which we invest.

Item 9: Disciplinary Information

There have been no disciplinary actions against us or any of our principals or employees within the last ten years by any domestic, foreign or military court; the SEC, any other federal regulatory agency; any state regulatory agency or any foreign financial regulatory authority; or any self-regulatory organization (SRO).

Item 10: Other Financial Industry Activities and Affiliations

We receive our revenues from investment management fees, and, in some cases, performance fees paid by the Funds. Mark McCammon and Michael Bergeron serve as sole managers of the Funds.

We also receive fees for providing Consulting Services discussed in Item 5 above.

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

We have adopted a Code of Ethics and Professional Standards (the “Code”) for avoiding prohibited acts and designed to eliminate potential conflicts of interest. The Code works in conjunction with our written Statement of Policy and Procedures (the “Statement”) designed to detect and prevent insider trading and to govern personal securities trading. Such statement, among other things, forbids any member or employee from trading, either personally or on behalf of others (such as a hedge fund and private accounts managed by us), on material non-public information or communicating material non-public information to others in violation of the law (i.e. insider trading).

We, our principals and employees, may buy or sell securities that we also recommend to our clients. Therefore, our Code sets forth our policy that clients’ interests are always placed ahead of our personal interests. Our policy requires our personnel to do their buying and selling after transactions have been completed for clients and includes procedures requiring all of our principals and employees to report their personal securities transactions to the designated supervisor on a periodic basis. We believe that the Code and Statement designed to detect and prevent insider trading and to govern personal securities trading are appropriate to prevent or eliminate potential conflicts of interest situations between us, our employees and our clients. However, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts. We will provide a copy of their Code of Ethics to any client or prospective client upon request.

Item 12: Brokerage Practices

We do not use the services of a broker-dealer for the securities that we buy and sell for Strength Capital Partners II, L.P., Strength Capital Partners III-Special Situations, L.P.; and Strength Capital Partners III-Special Situations (AIV), L.P.

We generally determine which securities are bought or sold and the total amount of the securities to be bought or sold. However, in making the decision as to which securities are to be bought or sold and the amount thereof, we are guided by the general guidelines which are set up at the inception of the adviser-client relationship in cooperation with the client. These general guidelines cover such things as relative asset allocation, the degree of risk which the client wishes to assume, and the types and amounts of securities to constitute the portfolio. We then endeavor to manage the portfolio in accordance with these guidelines.

Item 13: Review of Accounts

Our Portfolio Manager and sole reviewer, Mark R. McCammon, continually reviews all of our client accounts in light of individual client needs and may look to such factors as movements in the securities markets, including particular securities in which the client's assets are invested, sector exposure and asset allocation in connection with any such review. All accounts have a very detailed review on a quarterly basis.

Item 14: Client Referrals and Other Compensation

We do not directly nor indirectly compensate any person for client referrals.

Item 15: Custody

We do not maintain physical custody of client assets. However, as the manager of the Funds, we are considered to have "constructive" custody of the Fund's assets.

The investors in the Funds receive a copy of the Funds' annual audited financial statements within 120 days of the Funds' fiscal year end. Investors also receive quarterly statements directly from us which describe the transactions and performance of the Funds. Investors should review such statements carefully.

Item 16: Investment Discretion

We have the authority to determine on behalf of the Funds the securities to be bought and sold and the quantity of said securities. The investments we make on behalf of the Funds are governed by the investment guidelines established for each of the Funds.

Item 17: Voting Client Securities

We do not vote proxies on behalf of our clients.

Item 18: Financial Information

There are no financial issues that are likely to impair our ability to meet our contractual commitments to clients.