

Item 1. Cover Page

Brochure of
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March 24, 2022

This brochure provides information about the qualifications and business practices of Stadium Capital Management, LLC (“SCM”). If you have any questions about the contents of this brochure, please contact us at (203) 972-8235. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Although SCM is a “Registered Investment Adviser,” that registration does not imply a certain level of skill or training.

Item 2. Material Changes

There were no material changes to this brochure since its last annual update on March 29, 2021.

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Item 4. Advisory Business

SCM is a Delaware limited liability company that has been in business since 1999. It serves as the investment adviser to certain investment limited partnerships and, from time to time, as an investment adviser to other accounts. SCM is the general partner of Stadium Capital Management GP, L.P., a Delaware limited partnership (“SCMGP”), that serves as general partner of certain investment limited partnership clients of SCM. SCM’s managers and controlling owners are Alexander M. Seaver and Bradley R. Kent. As of February 28, 2021, SCM had total discretionary regulatory assets under management of approximately \$442 million. SCM only manages assets on a discretionary basis.

SCM invests principally, but not solely, in equity and equity-related securities that are traded publicly in North American and Western European markets on behalf of its clients, but is authorized to enter into any type of investment transaction that it deems appropriate, pursuant to the terms of the client’s partnership or other account agreement.

The investors in the funds that SCM manages have no opportunity to select or evaluate any fund investments or strategies. SCM selects all fund investments and strategies.

SCM does not participate in wrap fee programs.

SCM typically does not tailor its services to the individual needs of individually managed accounts, but manages each such account according to the strategy selected by the client. SCM’s discretionary authority is limited, however, as described in Item 16.

Item 5. Fees and Compensation

SCM’s (or SCMGP’s) compensation is negotiable and varies, but typically, it charges an annual fee of 1.5% of (a) each client account’s net asset value less (b) the portion (if any) of the account’s cash balances that exceed 25% of its net asset value (which amount is payable in quarterly installments at the beginning of each calendar quarter based on the net asset value of each client’s account on the date the fee accrues and becomes payable). SCM (or SCMGP) also typically is allocated from each limited partner in an investment limited partnership a performance allocation equal to 20% of net profits (including both realized and unrealized gains and losses) otherwise allocable to such limited partner that exceed a specified “hurdle amount”. Performance allocations are assessed in arrears on an annual basis (and on withdrawals with respect to the amount withdrawn). SCM complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance allocations and fees may create an incentive for SCM to make more risky and speculative investments than it would otherwise make.

SCM (or SCMGP) typically deducts management fees and performance allocations and fees directly from client accounts.

Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds.

SCM believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment limited partnership of which SCMGP is general partner, to use the “alternative reporting option” to report SCM’s (or SCMGP’s) compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Relationships with SCM’s investment partnership clients are terminable on expiration of the partnership’s term, dissolution of the partnership or on SCMGP’s withdrawal as general partner. Each limited partner may withdraw from a partnership, on specified prior written notice, on the last day of any calendar quarter (depending on the terms of the partnership agreement) that occurs on or after the day preceding the first anniversary of such limited partner’s admission to the partnership.

Except as may be otherwise negotiated in particular cases, the holder of an individually managed account may terminate the account by giving one day’s prior written notice.

In all cases, expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination are charged to the account. All prepaid but unearned management fees are refunded on termination of a client’s account. An investor who withdraws from a fund on a date other than the last day of a quarter or other appropriate period, however, does not receive a refund of the management fee previously paid.

Each account is responsible for its own costs and expenses, including, among other things, all costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the client’s business (including certain investment research expenses), all expenses incurred in visiting companies and attending research conferences (for example, air fare, hotel accommodations and meals), trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, costs of communication with limited partners and prospective limited partners (including travel expenses), and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Each client account agreement details the specific expenses to be borne by that client’s account. SCM bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or a portion of these costs and expenses may be paid, however, by securities brokerage firms that execute clients’ securities trades, as discussed in Item 12 below.

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

SCM currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

SCM provides investment advice to investment funds and may provide investment advice to other accounts. Investors in the funds are required to invest a minimum of \$1 million, but SCM may waive this minimum. SCM generally requires a minimum of \$100 million to open an individually managed account, but may waive this minimum. Separate account clients may include high-net-worth individuals, institutions, trusts, endowments and pension plans.

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

Investment Strategy

SCM invests in, holds, sells, trades and otherwise deals in securities consisting principally, but not solely, of equity and equity-related securities that are traded publicly in North American and Western European markets. When deemed appropriate by SCM, it may also invest in preferred stocks, convertible securities, warrants, options, bonds and other fixed income securities, private securities, non-U.S. securities, derivatives and money market instruments. SCM also engages in margin trading, hedging and other investment strategies and may engage in short selling.

The investment strategies summarized above represent SCM's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which SCM may take positions on behalf of its clients, the types of positions it may take, the concentration of its investments or the amount of leverage that it may use. SCM may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets and the economy generally, SCM may pursue any objectives or use any techniques that it considers appropriate and in the interest of its clients.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that SCM manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or investor may encounter. Potential investors in a fund should review such fund's offering circular carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to individually managed accounts. A potential client should discuss with SCM's representatives any questions that such person may have before opening an account.

- Client accounts may not achieve their investment objectives. An account strategy may not be successful and investors may lose some or all of their investment.
- SCM may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or clients.

- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- SCM may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. SCM also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- SCM may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- SCM may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. SCM is not obligated to hedge the portfolio positions of certain client accounts, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investment gain and potential profit or increase loss.
- SCM may sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- SCM may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives. These instruments are highly volatile and risky and can be difficult to value.
- SCM may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers, custodians and administrators with which SCM does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- SCM may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- SCM causes clients to invest in securities of non-U.S. private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country;

currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.

- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- SCM may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if SCM holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of an account's positions may be or become illiquid, in which case SCM may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- SCM determines the value of securities held in client accounts. Valuations of publicly traded securities generally are based on market prices. If SCM's valuation of non-publicly traded or other illiquid securities is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- SCM and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached SCM's fiduciary duty to the client or investor.
- There is not and will not be an active market for the interests in the funds. It may be impossible to transfer any such interests, even in an emergency.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals. Substantial withdrawals in a short period could force SCM to liquidate investments too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- A fund may limit or suspend withdrawals of an investor's assets from the fund.

- A fund may establish a reserve for contingencies if SCM considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that SCM and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for SCM to find attractive investments as the amount of assets that it must invest increases.
- No client or investor has been represented by separate counsel. The attorneys who represent SCM or its manager do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- SCM, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of SCM, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a fund without a cash distribution to pay the related taxes.
- SCM (as well as service providers to SCM or its clients) rely heavily on information systems and technology. A cyberattack, natural catastrophe, pandemic, industrial accident, terrorist attack or war, public service or utility disruption, event not anticipated in SCM's disaster recovery systems, or support failure from external providers could have an adverse effect on SCM's or a fund's ability to conduct business and on their operations and financial condition, particularly if those events affect SCM's or a fund's computer-based data processing, transmission, storage and retrieval systems, or if those events destroy data. If a significant number of SCM's personnel were unavailable in the event of a disaster or any significant disruption, the ability of SCM and its funds to effectively conduct business could be severely compromised.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that SCM must devote to regulatory compliance, to the detriment of investment activities.
- SCM is not registered with the SEC as a broker-dealer. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. SCM believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, SCM and any fund could be subject to expensive legal action and potential termination. In addition,

investors in the funds do not have certain regulatory protection afforded to investors that they would have if these registrations were in place.

- SCM's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- SCM's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- If a fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- SCM and its affiliates manage more than one client account and spend time on other activities, including investing for their own accounts. If SCM or any affiliate receives better compensation and other benefits from such other activities, it has incentive to allocate more time to those other activities. These factors could influence SCM not to make investments on a fund's behalf even if such investments would benefit the fund.

The above is only a brief summary of some of the important risks that a client or investor may encounter. Before deciding to invest in a fund that SCM manages, you should consider carefully all of the risk factors and other information in the fund's offering circular.

Item 9. Disciplinary Information

This Item is not applicable, because SCM has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

SCM's affiliate, Stadium Capital Management Europe LLP, provides SCM with research and other services and is based in Oxford, United Kingdom. SCM has no other reportable financial industry activities or affiliations.

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

SCM has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for SCM's supervised persons. The Code of Ethics includes general requirements that SCM's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons periodically to report their personal securities transactions and holdings to SCM's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of SCM receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. At least annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of SCM's Code of Ethics by contacting Eileen Silva at (203) 972-8235.

Under SCM's Code of Ethics, SCM and its managers, members, employees and other affiliates may personally invest in securities of the same classes as SCM purchases for clients and may own securities of issuers whose securities that SCM subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, SCM managers, members, employees and other affiliates must generally obtain preapproval for personal securities transactions. SCM and its managers, members, employees and other affiliates may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which SCM does not believe appropriate to buy or sell for clients. For example, SCM's affiliates engage in other investment activities (such as real estate and venture capital investments) that are not within the investment strategy that SCM employs for its clients. Any such persons may expand those activities or engage in other businesses or investment activities in the future.

Because SCM manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, SCM selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. SCM may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. SCM attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. SCM may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is SCM's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. SCM is not obligated to acquire for any account any security that SCM or its managers, members, employees or other affiliates may acquire for its or their own accounts or for any other client, if in SCM's absolute discretion, it is not practical or desirable to acquire a position in such security for that account given its investment strategy.

Item 12. Brokerage Practices

SCM has complete discretion in selecting the broker that it uses for client transactions and the commission rates that clients pay such brokers. In selecting a broker for any transaction or series of transactions, SCM may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- order of call;
- offering to SCM on-line access to computerized data regarding clients' accounts;
- computer trading systems; and

- the availability of stocks to borrow for short trades.

SCM may also purchase from a broker or allow a broker to pay for the following (each a “soft dollar” relationship):

- research reports, services and conferences, including third-party research fees;
- economic and market information;
- portfolio strategy advice;
- industry and company comments;
- technical data;
- recommendations;
- research conferences;
- general reports;
- periodical subscription fees;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing charges; and
- quotation services.
- custody, recordkeeping and similar services;
- proxy voting services;
- computer hardware and software;
- office rent;
- office equipment;
- supplies;
- salaries;
- secretarial, clerical and administrative services and assistance;
- telephone and utility charges;
- expenses incurred in visiting companies and attending research conferences (for example, air fare, hotel accommodations and meals)
- accounting fees; and
- legal fees.

SCM may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to SCM.

SCM has retained certain brokerage firms to serve as each investment fund’s prime brokers and custodians. The services that they provide as prime brokers and custodians may include providing custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage and custody agreements entered into with the investment fund. SCM receives other services from them. These services may include: technology services (such as internet access, IT support and Bloomberg connections), portfolio reporting and access to electronic communications networks. SCM pays a fee to them for certain of these services, but, to the extent that such fee is less than the fair market value of the services, the arrangement

may be deemed to be a soft dollar arrangement. SCM expects to use a substantial portion of these services for research and trading on behalf of each investment fund, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers and custodians provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if SCM did not receive these services from them, SCM would be required to pay for all or some portion of them. SCM expects to direct a portion of the investment funds' securities transactions to them and their affiliates, but is not required to direct a particular number of trades to them or to continue to use them as the investment funds' prime brokers and custodians, but it has an incentive to do so based on their prior and continued services.

Each fund's obligations to those custodians and their affiliates will be secured by way of a first priority perfected security interest over all of the fund's assets held in custody by them and their affiliates may transfer to themselves all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for their own purposes. If any such transfer occurs, the fund will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent securities in full. In addition, the client's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the client will therefore rank as an unsecured creditor in relation thereto.

If any of the fund's investments are registered in the name of a custodian or affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, the fund may not be able to recover such equivalent investments in full.

SCM may allocate the costs of certain computer equipment and software used for both research and non-research purposes between their research and non-research uses, and use soft dollars to pay only for the portion that SCM allocates to research uses.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If SCM uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

SCM may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. SCM determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or SCM's overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on

account trading activity. The research and other benefits resulting from SCM's brokerage relationships benefit SCM's operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct SCM to use a broker that does not provide SCM with soft dollar services. SCM does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

SCM's relationships with brokers that provide soft dollar services influence SCM's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. SCM has an incentive to select or recommend a broker based on SCM's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that SCM uses soft dollars to pay expenses it would otherwise be required to pay itself.

SCM has addressed these conflicts of interest by annually evaluating the trade execution services that SCM receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers. SCM considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

SCM may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that SCM manages or with accounts of its affiliates. In such event, SCM may charge or credit a client, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if SCM were not executing similar transactions concurrently for other accounts. SCM may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

SCM may direct a certain amount of brokerage to a broker in return for the broker's referral of prospective clients or investors. Directing brokerage to a broker in exchange for client or investor referrals creates a conflict of interest in that SCM has an incentive to refer its clients' brokerage business to brokers to which it might not otherwise direct its brokerage transactions. SCM has policies and procedures to review its brokerage practices regularly, including its use of brokers from which SCM receives client or investor introductions.

If a client directs SCM to use a specific broker, SCM has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. SCM is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs SCM to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if SCM had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

All accounts are managed and reviewed weekly by Alexander M. Seaver, Dominic P. DeMarco, John L. Welborn, Jr. and Kevin Baker, the members of SCM's Investment Committee. Asset allocation, cash management, market prospects and individual issue prospects are considered. Particular attention is given to changes in company earnings, industry outlook, market outlook and price levels. SCM sends a quarterly letter to investors stating performance for the quarter.

Item 14. Client Referrals and Other Compensation

SCM may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and SCM complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

SCM's affiliate is the general partner of the limited partnerships that SCM manages, and thus is deemed to have custody of those funds' assets. SCM is not required to comply with some of the Advisers Act's requirements regarding custody because each such fund is subject to audit at least annually and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors within 120 days of the end of its fiscal year.

The custodian of each individually managed account (if any) sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from SCM.

Item 16. Investment Discretion

SCM has discretionary authority to manage securities accounts on behalf of clients pursuant to a grant of authority in each fund's limited partnership agreement.

If SCM manages a separate account, the client's account agreement would contain a limited power of attorney providing for discretionary authority. Except for SCM's limited partnership clients, such discretion is limited by the requirement that clients advise SCM of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify SCM in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct SCM to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify SCM at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

SCM votes all proxies on behalf of each account over which SCM has proxy voting authority based on SCM's determination of the best interests of such account. In determining whether a proposal serves the best interests of an account, SCM considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

SCM abstains from voting proxies when SCM believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between SCM and a client, SCM will vote all proxies in accordance with the policy described above. If SCM determines that this policy does not adequately address the conflict of interest, SCM will notify the client of the conflict and request that the client consent to SCM's intended response to the proxy solicitation. If the client consents to SCM's intended response or fails to respond to the notice within a reasonable time specified in the notice, SCM will vote the proxy as described in the notice. If the client objects in writing to SCM's intended response, SCM will vote the proxy as directed by the client.

A client can obtain a copy of SCM's proxy voting policy and a record of votes cast by SCM on behalf of that client by contacting Eileen Silva at (203) 972-8235.

Item 18. Financial Information

This Item is not applicable, because SCM is not required to report financial information.

Item 19. Requirements for State-Registered Advisers

All of the information required by this Item is disclosed elsewhere in SCM's Form ADV.

Privacy Policy

SCM and the investment limited partnerships for which SCMGP serves as general partner:

- collect non-public personal information about their clients and investors from the following sources:
 - information received from clients or investors on applications or other forms, and
 - information about clients' or investors' transactions with SCM, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;

- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.