

**Part 2A of Form ADV: *Firm Brochure***

**Saturn Five Advisors LLC**

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This brochure provides information about the qualifications and business practices of Saturn Five Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 303-829-2093 or [leo@saturnfive.com](mailto:leo@saturnfive.com). 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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Saturn Five Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 322348.

## **Item 2      Material Changes**

This is the initial publication of Saturn Five Advisors LLC's brochure. In the future this section will be used to inform you of any material changes since the previous version of this brochure.

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## Item 4      **Advisory Business**

Saturn Five Advisors LLC (the “Adviser”) is an SEC-registered investment adviser with its principal place of business located in Colorado. Saturn Five Advisors began conducting business in 2022.

Listed below are the Adviser's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of Adviser).

- Matthew Evan Loomis
- Maxwell Frederick Anderson

Saturn Five Advisors provides investment advisory services to the following pooled investment vehicles:

- Saturn Five LLC
- Saturn Five Alpha LLC
- Saturn Five Alpha Qualified LLC
- Saturn Five Opportunity Fund LLC
- Saturn Five Frontier I LLC
- Saturn Five Frontier II LLC

(Collectively referred to herein as the “Funds”).

The Funds are organized as limited liability companies, and are not registered under the Investment Company Act of 1940, as amended (the “1940 Act”) in reliance on the Section 3(c)(1) or the Section 3(c)(7) exemptions under the 1940 Act. Furthermore, investment interests are not registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance on Section 4(2) and Regulation D, promulgated thereunder.

The investment advisory services provided to the Funds are governed by each fund's Operating Agreement and may be terminated in accordance with such agreements.

Saturn Five LLC invests in Saturn Five Alpha LLC, Saturn Five Alpha Qualified LLC, Saturn Five Opportunity Fund LLC, as well as certain affiliated operating companies, holding companies, and real estate holding companies.

Saturn Five Alpha LLC, Saturn Five Alpha Qualified LLC, Saturn Five Frontier I LLC, and Saturn Five Frontier II LLC each purchase interests in and operate various small-scale businesses, holding companies, and real estate holding companies.

Saturn Five Opportunity Fund LLC invests at least ninety percent (90%) of its assets in “qualified opportunity zone properties” (other than other qualified opportunity funds).

The Adviser provides advice to the Funds to help them achieve their investment purposes as set forth in the offering materials for each of the Funds. The advice provided by the Adviser is not tailored for any individual investor within the Funds.

As of June 30, 2022, the Adviser’s assets under management were \$145.9 million. All of which is managed on a discretionary basis.

## **Item 5 Fees and Compensation**

The fees and expenses associated with an investment in the Funds vary depending on the fund and are described in detail in each Fund's offering materials.

For its services to Saturn Five Alpha LLC, Saturn Five Alpha Qualified LLC, and Saturn Five Opportunity Fund LLC, Adviser receives a management fee not to exceed 4% of committed capital on an annual basis. Such fees are paid quarterly based on committed capital at the end of each previous calendar quarter.

For its services to Saturn Five LLC, Adviser receives reimbursements for expenses related to managing the entity. The amount and timing of such fee varies and is in the discretion of the Fund's Manager.

There are no management fees for Saturn Five Frontier I LLC and Saturn Five Frontier II LLC, but certain personnel affiliated with Adviser receive a portion of the carried interest in these Funds via their investment in Saturn Five Holdings, LLC. See Item 6 for more detail regarding these and other carried interests received by affiliates of Adviser.

Fees paid by Funds are indirectly borne by any investors in the Fund, including any Funds that invest in such Funds. These fees are in addition to all other costs and expenses borne by the Funds and their investors as set forth in detail in the Funds' offering material.

The fees are subject to modification, waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements. The fee structures described herein may be modified from time to time. Fee structures may differ from one Fund to another, as well as among investors in the same Fund.

While Adviser believes that its management fees are competitive with those charged by other investment advisors for comparable services, similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Adviser does not receive a performance-based fee for management of the Funds. However, affiliates of Adviser receive a portion of the profits of certain funds. Saturn Five LLC, as a carried interest member of Saturn Five Alpha LLC, Saturn Five Alpha Qualified LLC, and Saturn Five Opportunity Fund LLC, is entitled to receive a carried interest allocation of up to 20% from such Funds. Saturn Five Holdings LLC is entitled to receive a carried interest allocation of up to 35% from Saturn Five Frontier I LLC and Saturn Five Frontier II LLC. Personnel of Adviser receive a portion of this carried interest via their investments in Saturn Five LLC and Saturn Five Holdings LLC. Carried interests paid by the Funds are indirectly borne by investors in such Funds. Such carried interests are described in detail in the offering materials for the Funds.

In addition, certain Funds receive a carried interest in connection with their underlying investments. Saturn Five LLC, Saturn Five Alpha LLC, Saturn Five Alpha Qualified LLC have carried interests in certain

companies in which they are Members. Personnel affiliated with Adviser receive a portion of these carried interests via their investments in the Funds.

The receipt of a carried interest by our affiliates creates a conflict of interest in that it incentivizes us to favor such funds over those that do not pay our affiliates carried interest allocations. It also provides an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

## **Item 7      Types of Clients**

Adviser provides advisory services to pooled investment vehicles. Investors in the Funds must make representations regarding their financial sophistication and their ability to bear the risk of loss of their entire investment in the Funds.

Minimum investment commitments are typically established for investors in the Funds. The Managers of the Funds generally have discretion to accept investments below the minimum amounts.

## **Item 8      Methods of Analysis, Investment Strategies and Risk of Loss**

### **METHODS OF ANALYSIS**

We have honed a systematic approach to finding, buying, and managing small businesses. In sourcing investments for our Funds, we review thousands of deals a year. Our network of sourcing channels and our growing reputation as buyers give us access to what we believe is a high-quality deal stream. Our investment framework and pattern recognition allow us to quickly filter attractive deals.

We seek investment opportunities with the following criteria:

- We look for a company that is enduringly profitable and earning in the range of \$1-10M of EBITDA.
- We look for strong management.
- We generally pursue businesses where we have relationships with experts from our network to advise and work with us.
- We target buying companies at 3-5x EBITDA.
- We look for companies that are leaders in their niche with a defensible market position.

We are active managers. We roll up our sleeves to oversee and support our portfolio. Our systematic approach includes close attention to budgets, goals, and operating metrics, as well as hands-on leadership development and coaching.

We also make selective investments in holding companies of real estate and venture investments.

### **INVESTMENT STRATEGIES**

For our operating company investments we generally follow a long-hold approach. Our goal is to buy smart and not overpay. We use conservative amounts of bank financing and model steady, conservative growth rates to protect our downside. We often ask sellers to keep some skin in the game.

For our investments into holding companies for real estate and venture investments we generally seek opportunities in which we are familiar with the company and/or the management, or in which we have confidence and there is another lead investor and the overall investment is attractive.

## **MATERIAL RISKS**

Investment in the Funds involve significant risks including but not limited to:

- **Limited Operating History** – The Funds were recently formed and are subject to the risks inherent in a new business enterprise.
- **Lack of Liquidity** - No market, public or otherwise, exists for interests in the Funds, and none is expected to develop. Interests in the Funds are generally not transferable and investors in the Funds are extremely limited in their ability to withdraw capital from the Funds.
- **General Economic Risks** - General economic conditions in the area in which the Funds operate could cause the Fund's profitability to decline. Conditions which might have an unfavorable impact on performance of the Funds include: adverse weather conditions or natural disaster, such as a hurricane, earthquake or flooding; government action or inaction; fire; terrorism; health epidemics or pandemics; cyber-security incidents; industrial accidents or other occupational health and safety issues; telecommunications failures; power or water shortages; strikes and other labor disputes; severe economic recession; or other reasons beyond our control.
- **Operating Expense Risks** - The businesses in which the Funds invest are susceptible to increases in certain key operating expenses including labor costs, material costs, rent expenses, compliance costs, utility costs, insurance costs, logistical costs, and costs of any litigation.
- **Valuation Risks** - To the extent that the Funds acquires positions in portfolio companies for which market quotations are not readily available, the valuation of such positions will be determined by the Manager of the Funds. There is no guarantee that the value determined by the Manager will represent the value that will be realized on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.
- **Business Continuity Risk** - Loss of the services of key management persons of the Funds could have a material adverse effect on the Funds' business and plans for future development.

Investors should refer to the offering documents for each Fund for a more complete description of the risks involved. Investment in the Funds is meant only for sophisticated investors who can bear a total loss of their entire investment.

## **Item 9      Disciplinary Information**

Adviser has no reportable disciplinary information to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

The principal shareholders and affiliated employees of the Adviser also have ownership and roles on behalf of other affiliated entities and receive compensation in connection with these roles.

Additionally, affiliates of Adviser serve as Manager for many of the companies in which the Funds invest and these affiliates receive compensation in connection with such roles. Further, personnel and other resources are shared among the Adviser and these related entities. Advisory personnel are subject to a Code of Ethics which requires them to put advisory clients interests ahead of their own. See below for more detail regarding the Adviser's Code of Ethics.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our Advisory personnel, including compliance with applicable federal and state securities laws.

Saturn Five Advisors and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of our access persons' personal securities transactions and prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information.

Saturn Five Advisors does not engage in principal or agency cross transactions.

Saturn Five Advisors and our affiliates are not restricted from forming additional funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities could be in competition with the Funds and/or may involve substantial time and resources of Saturn Five Advisors and our affiliates.

Individuals associated with Adviser are permitted to buy or sell for their personal accounts securities identical to those recommended to the Funds. In addition, personnel affiliated with Adviser hold interests or positions in the Funds and, as stated previously, received carried interests in connection with those investments.

As these situations represent actual or potential conflicts of interest to our clients, we have established policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest. Such policies and procedures require, among other things, that no principal or personnel of our firm is permitted to put his or her own interest above the interest of an advisory client.



A copy of our Code of Ethics is available upon request by sending an email to [leo@saturnfive.com](mailto:leo@saturnfive.com), or by calling us at 303-829-2093.

## **Item 12 Brokerage Practices**

Saturn Five Advisors does not engage in securities transactions through broker-dealers, and therefore it does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Saturn Five Advisors does not aggregate purchases for multiple Funds. In the case where an investment opportunity might be appropriate for multiple Funds, Adviser will make an allocation recommendation based on each Fund's strategy, holdings, and available capital.

## **Item 13 Review of Accounts**

The Funds are monitored in the context of their stated objectives and guidelines on an ongoing basis. More frequent reviews may be triggered by material changes in the underlying investments.

Investors in the Funds receive quarterly written updates which provide detail regarding the Funds' underlying investments and any changes thereto.

## **Item 14 Client Referrals and Other Compensation**

The Adviser does not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

It is the Adviser's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to the Funds.

## **Item 15 Custody**

As discussed in Item 10, affiliates of Adviser are Managers for many of the companies in which the Funds invest. Adviser is also Manager of the Funds. As such, Adviser is deemed to have custody of the Funds. The relevant Funds are audited by an independent, Public Company Accounting Oversight Board (PCAOB) registered accountant, and the audited financial statements are distributed to Fund investors within 120 days after the relevant Fund's fiscal year end.

## **Item 16 Investment Discretion**

Adviser has been granted discretion to manage the investments on behalf of the Funds consistent with their stated investment strategies. The investment strategies of the Funds are set forth in their respective offering materials. Investors in the Funds do not have the ability to impose limitations on this discretionary authority.

## **Item 17 Voting Client Securities**

The Funds do not hold investments for which proxy voting is required.

## **Item 18      Financial Information**

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no such financial circumstances to report.

We do not require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Saturn Five Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.