



STURBRIDGE CAPITAL

**STURBRIDGE CAPITAL, LLC
Form ADV Part 2A**

300 Park Street, Suite 285
Birmingham, MI 48009
<https://sturbridgecapital.com/>

March 31, 2023

This Brochure provides information about the qualifications and business practices of Sturbridge Capital, LLC (“Sturbridge” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (248) 220-8400 and request to speak with the Chief Compliance Officer (“CCO”). 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.

Registration as an investment adviser does not imply that Sturbridge Capital, LLC or any of our principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Sturbridge can be found on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Sturbridge has made the following changes to the Brochure since the last brochure was submitted to the SEC on January 27, 2023:

Descriptions were updated to reflect our current portfolio, advisory services, and risks associated with our services in the following areas of the Brochure: Fees and Compensation (Item 5), Types of Clients (Item 7), Methods of Analysis, Investment Strategies, and Risk of Loss (Item 8) and Client Referrals and Other Compensation (Item 14).

You may request a copy of the most recent version of this Brochure free of charge by contacting us at (248) 220-8400.

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.....	4
Item 6: Performance-Based Fees and Side-By-Side Management.....	8
Item 7: Types of Clients.....	8
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9: Disciplinary Information	17
Item 10: Other Financial Industry Activities and Affiliations.....	17
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12: Brokerage Practices	18
Item 13: Review of Accounts	18
Item 14: Client Referrals and Other Compensation	18
Item 15: Custody	19
Item 16: Investment Discretion	19
Item 17: Voting Client Securities.....	19
Item 18: Financial Information	19
Appendix A: Privacy Notice	20

Item 4: Advisory Business

Sturbridge Capital, LLC (“**Sturbridge**”, “**we**”, “**us**”, “**our**” or the “**Firm**”), a Delaware limited liability company, commenced operations in 2011 with Salam N. Chaudhary as its sole member and owner.

The Firm provides discretionary investment advisory services and serves as investment adviser to private equity fund-of-funds (each a “**Fund**” and collectively, the “**Funds**” or “**Clients**”). The Funds have set investment objectives and guidelines, and the Firm does not tailor advisory services to the individual needs of investors of the Funds. The Funds purchase fund-of-funds, secondary funds (collectively, “**Pooled Funds**”), and tail-end private equity fund interests.

Our Funds are structured as limited partnership or limited liability company vehicles. For Funds organized as limited partnerships, investors are limited partners, and a Sturbridge entity serves as the general partner. For Funds structured as limited liability companies, investors are members, and a Sturbridge entity is appointed as the manager.

Sturbridge is currently an investment adviser to Sturbridge Diversified Private Equity I, LLC, Sturbridge Diversified Private Equity II, LLC, Sturbridge Diversified Private Equity II Master, LLC, Sturbridge Diversified Private Equity Fund III, L.P., and Blu Horn Holdings, LLC.

As of December 31, 2022, Sturbridge has \$430,209,225 in regulatory assets under management (“**RAUM**”) all advised on a discretionary basis.

Item 5: Fees and Compensation

The Funds compensate Sturbridge with a management fee for the investment management and related services that it provides. Fees are not generally negotiable but may be waived or changed as disclosed in the relevant Fund offering memorandum. Management fees are established on a fund-by-fund basis; therefore, it is possible that the Firm charges different management fees to its Funds.

The annual management fee rate charged to the Funds in certain instances will vary from year-to-year over the life of the Fund. For example, the management fee rate charged to the Funds in some cases will decrease upon the expiration of the investment period of a Fund. Sturbridge charges management fees that generally range on average from 0.0% to 2.0% of committed capital or the net asset value of a particular Fund.

The specific payment terms and other conditions of the management fees charged to each Fund are set forth in the Fund’s relevant governing documents. Management fees are generally paid out of current income and investment proceeds. Management fees may also be paid from capital drawdowns that reduce unfunded commitments.

Subject to the terms of the offering memorandum and governing document of a Fund, the Fund will bear all costs and expenses relating to its organization and operation. Such costs and expenses may be significant and can include:

- i. Activities related to the identifying, sourcing (including meeting with consultants, broker-dealers, investment banks and other sources of investments), structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any research, subscriptions to any

- periodicals or databases, and attendance at any trade conference), acquiring, bidding on, developing, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence and deal-sourcing software and other subscription services and service providers, consultants and similar professionals in connection therewith, and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- ii. Indebtedness of, or guarantees (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
 - iii. Financing, commitment, origination, and similar activities;
 - iv. Broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder, and similar services;
 - v. Brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account and similar services;
 - vi. Legal, accounting, auditing, technology administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other similar consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services);
 - vii. Reverse breakup, termination, and other similar arrangements;
 - viii. Insurance (including directors and officers' liability, fidelity bond, management liability, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and the cost of any consultants or other advisors utilized in the procurement, review and analysis of insurance policies;
 - ix. Filing, title, transfer, survey, registration, and other similar activities;
 - x. Printing, communications, marketing, publicity, mailing, and courier;
 - xi. Preparation, distribution, or filing of financial statements or other reports, tax returns, tax estimates, Schedules K-1 or similar forms or other communications with investors or any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis reports) and any administrative, regulatory, reporting, filing, or other compliance requirements, or other information, including costs of any third-party service providers and professionals related to the foregoing;
 - xii. Compliance with any tax or financial account reporting regime, such as the Foreign Account Tax Compliance Act ("**FATCA**"), the Organization for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard ("**CRS**"), and any similar laws, rules and regulations, including fees and costs of any third-party service providers and professionals related to the foregoing;

- xiii. Developing, licensing, implementing, maintaining, or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, financial management, cybersecurity, and ledger systems) or other administrative or reporting tools (including subscription-based services);
- xiv. Any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (as defined in the respective governing document) (including any costs and expenses incurred in connection with compliance with the General Data Protection Regulation (EU 2016/679) (as amended), FOIA (as defined in a Fund's relevant governing document) and any similar laws, rules, and regulations);
- xv. To the extent provided in a Fund's governing document, or otherwise approved by the General Partner of the Fund (or similar managing fiduciary) in its sole discretion, activities, or proceedings of a Fund's Advisory Board (including any reasonable out-of-pocket costs incurred by representatives of the General Partner (or similar managing fiduciary), the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board);
- xvi. Indemnification obligations (including costs incurred in connection with indemnifying any investor in a Fund or other person or entity or otherwise and advancing costs incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the relevant governing document), except as otherwise set forth in the governing documents;
- xvii. Actual, threatened or otherwise anticipated litigation, mediation, arbitration, or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith;
- xviii. Any annual, periodic or special meeting of the investors of the Funds and any other conference or meeting (including via telephone, webcast or video conference) with any investor(s) of the Funds (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Funds, the General Partner (or similar managing fiduciary) or any affiliate of the General Partner (or similar managing fiduciary) of the Funds;
- xix. Except as otherwise determined by the General Partner of a Fund (or similar managing fiduciary) in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business or actual or potential investments (to the extent not borne or reimbursed by an investment of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any costs incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of any Fund entity;
- xx. The dissolution, liquidation, winding up, or termination of a Fund and the General Partner (or similar managing fiduciary) and any legal entities owned directly or indirectly by a Fund, including investments of a Fund;
- xxi. Except as otherwise provided in the relevant governing document, amendments to, and waivers, consents, or approvals pursuant to, the constituent documents of a Fund, any entities owned directly or indirectly by a Fund (including investments of a Fund) and related entities and any alternative investment vehicle of a Fund, including the preparation, distribution, and implementation thereof;

- xxii. Compliance with any law, rule, regulation, policy, directive or special measure (including any costs related thereto, any regulatory expenses of the General Partner of a Fund (or similar managing fiduciary) or any administrator related thereto, compliance with any privacy, data protection, know-your-customer, anti-money laundering (including any validation or other confirmation of any payments made in connection with any voluntary or compulsory review), sanctions or anti-terrorist laws, rules, regulations, directives or special measure, and compliance with any environmental, social or governance considerations and policies and any associated disclosures relating thereto);
- xxiii. Any litigation or governmental inquiry, investigation or proceeding, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant governing document;
- xxiv. Unreimbursed costs incurred in connection with any transfer or proposed transfer contemplated by the relevant governing document or any investor of a Fund's name change, internal restructuring or change in trust, registered agent or custodian;
- xxv. Any taxes, fees and other governmental charges levied against a Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefore by an investor of a Fund pursuant to the relevant governing document), and any costs and expenses of or related to the "partnership representative" (or similar representative) of a Fund, provided that nothing in this clause shall affect the treatment of any such amount pursuant to the relevant governing document;
- xxvi. Distributions to the investors of a Fund and other costs associated with the acquisition, holding, and disposition of investments, including extraordinary expenses;
- xxvii. Compliance or regulatory matters, except as otherwise set forth in the relevant governing document, including compliance with the partnership agreement (or similar governing document) and/or any letter agreement;
- xxviii. Any consultants, advisors, or experts, including independent appraisers engaged by a General Partner (or similar managing fiduciary) in connection with a Fund considering, making, holding, or disposing of, directly or indirectly, an investment in the same entity as one or more affiliates of a Fund or the General Partner (or similar managing fiduciary);
- xxix. Any travel (including costs of commercial air travel, car or ride sharing services, and other modes of transportation) lodging or meals relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
- xxx. Any of the items listed in (i) - (xxix) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated);
- xxxi. Any organizational expenses;
- xxxii. Any placement fees;
- xxxiii. Any other fees, costs, expenses, liabilities, or obligations approved by the Advisory Board of a Fund (as applicable); and
- xxxiv. All costs and expenses associated with operating any Feeder Fund, including all expenses associated with its organization, management, operation, termination and dissolution, liquidation and final winding-up and with preparing and distributing such Feeder Fund's financial statements, tax returns and Feeder Fund investor reports, to the extent not borne by the investors in such

Feeder Fund, but not including any income based or similar taxes, fees or other governmental charges levied against such Feeder Fund.

Sturbridge is responsible for and pays all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office, including employees' salaries, rent, and equipment expenses, except as otherwise provide in the governing documents of the Funds.

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

In addition to the management fees discussed above, Sturbridge also receives carried interest or a performance allocation (collectively, "**performance-based fees**") from its Funds. Performance-based fees are established on a fund-by-fund basis. Performance-based fees are generally calculated based upon a percentage of the share of profits for each Fund. The governing documents of a particular Fund set forth the calculation for the allocation of profits and losses between the capital accounts of the Firm and other investors of a Fund.

Performance-based compensation based on a percentage of net profits creates an incentive for the Firm to pursue investments that are riskier or more speculative in nature than would otherwise be the case.

The Firm does and can receive different amounts of performance-based compensation from its Funds. The Firm has an incentive to favor allocation of investment opportunities to Funds in which it receives higher compensation from. The Firm has implemented allocation policy and procedures designed to reasonably assure that investment opportunities are handled on a fair and equitable basis.

To further address the inherent conflicts of interest above, the Firm has adopted and implemented a Code of Ethics (the "**Code**"). The Code sets forth standards of conduct expected for the Firm and its supervised persons. The Code is based upon principles of applicable securities laws and the fiduciary duty the Firm owes to all clients thus ensuring that no one client is favored over another.

Item 7: Types of Clients

As discussed in Item 4, we provide investment advisory services to the Funds. The Funds minimum investment is \$250,000. The Firm may waive or reduce the minimum investment amount at its discretion. Investors in the Funds are qualified purchasers. The following types of Investors have historically invested in our Funds: other pooled investment vehicles, public employee retirement plans, limited partnerships, limited liability companies, trusts, and high net worth individuals. In the future, we may advise other types of investors in our Funds, including but not limited to, endowment funds, foundations, and municipalities.

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

The Funds seek to generate returns by investing in high-quality private equity funds-of-funds, secondary funds, and tail-end funds. The primary focus of the Funds is to invest in secondary private equity. The Funds may also invest in a variety of other securities including, but not limited to, fixed income securities. The Firm utilizes a disciplined due diligence process in evaluating potential investments that includes quantitative and qualitative analyses. On an ongoing basis, the Firm conducts investment reviews. In addition, the Firm attends annual and periodic fund update calls

held by managers to gain information regarding the investment and any potential issues that could impact the Funds.

The following are certain of the material risks involved in our investment strategy for the Funds. This list does not purport to be a complete enumeration or explanation of the risks involved in our strategy. For a complete description of the investment strategy and an enumeration of the risks involved in making an investment in a Fund, a prospective investor should carefully review the Fund's Subscription Agreement, Private Placement Memorandum, and related governing document(s).

Risk of Loss Factors

Investing in the Funds involves risk and should be undertaken with an awareness of the underlying risks an investment in the Funds represents. Investing involves risk of loss, including risk of loss of the entire investment, and clients should be prepared to bear those losses.

Business Risks

The Funds' investment portfolios consist primarily of securities issued by privately held funds and companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance – Investment Losses

Fund investments will be managed by persons unrelated to the Funds or Firm. The prior performance of such persons is not necessarily indicative of future results. While the Firm intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities

The securities in which the Funds invest, directly or indirectly through fund-of-fund investments, may be among the most junior in a company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments

The Funds participate in a limited number of investments and may make several investments in one industry or one industry segment and/or with a limited number of sponsors. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry or fund sponsor may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer investments and thus be less diversified.

Lack of Sufficient Investment Opportunities

The success of the Funds depends upon the ability of the Firm to identify, select, and consummate investments that the Firm believes offer the potential for superior returns and meet the respective Fund's investment objectives. The availability of such

opportunities will depend, in part, upon general market conditions. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. A change in market conditions could lead to substantially fewer investment funds being raised, thereby reducing the number of opportunities available to the Funds to make investments and potentially increasing competition and pricing in the secondary market for private equity fund interests. Even if the Firm identifies attractive opportunities for investments, there can be no assurance that the Funds will be permitted to invest in such opportunities. As a result, it is possible that the Funds may never be fully invested if enough sufficiently attractive opportunities are not identified.

Illiquidity – Lack of Current Distributions

An investment in the Funds should be viewed as illiquid. Illiquidity results both from the absence of an established market for investments (which market is not expected to develop) as well as from legal and contractual restrictions on transfer. Except with the General Partner's consent (or similar managing fiduciary), investors of the Funds may not sell, transfer, exchange, assign, pledge, or otherwise dispose of their interest in a particular Fund (or any portion thereof) nor may they withdraw from a Fund (except in very limited circumstances). It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

Limited Transferability of Fund Interests

There is no public market for a Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of a Funds' interests under the relevant governing document and applicable securities laws. In general, withdrawals of a Fund interest are not permitted. Expenses incurred by a Fund, the General Partner (or similar managing fiduciary), or any of their affiliates in connection with a transfer (including an unconsummated transfer) of all or part of a Fund interest are generally expected to be borne by the parties to such transfer, as set forth in the related governing document. In general, withdrawals of a Fund interest are not permitted. In addition, a Fund interest is generally not redeemable.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Although, under normal circumstances, prior to the termination of the Funds, the Funds intend to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding-up of the Funds), distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer may be made in-kind. It may be difficult for investors of the Funds to liquidate the investments received at a favorable price or within a favorable time-period, and significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Investors of a Fund in receipt of a distributed investment will have no guidance from the Fund or Firm with respect to the disposition of such investment (including timing of such disposition). The price at which such investments

may be sold by such investors of a Fund may be lower than the value of such investments determined pursuant to the relevant governing document, including the value used to determine the amount of carried interest accruing to the General Partner of the Fund (or similar managing fiduciary) with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Fund-Level Leverage

The Funds expect to make use of leverage by incurring debt to finance a portion of its investment in a given fund investment. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Funds will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments. The Funds also may borrow money or guaranty indebtedness (such as a guaranty of a Fund investment's debt) or otherwise be liable therefore, and in such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. The Funds may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner (or similar managing fiduciary) or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund. Fund-level borrowing involves a number of additional risks. Borrowings by a Fund could cause a portion of the Fund's investments to be considered debt-financed and some or all of a tax-exempt investor's distributive share of income from the Fund (including dividends, interest and capital gains) could be UBTI. Except as provided in the relevant governing document, any such borrowing is permitted to remain outstanding for such time as the General Partner of the Fund (or similar managing fiduciary) deems appropriate, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund.

Notwithstanding the foregoing, to the extent that a Fund is unable to obtain a credit facility, determines that the terms of such facility would not be appropriate for the Fund, or otherwise determines not to use such facility or access to such facility otherwise becomes unavailable, the General Partner of the Fund (or similar managing fiduciary) may determine to draw down capital contributions in advance and hold them in reserve in order to make investments and/or satisfy fees and expenses and other capital needs as such needs arise in the future.

Dependence on Personnel

The performance of the Funds depends in significant part upon the skill and expertise of certain personnel of the Firm and may be affected by individuals joining or leaving the Firm.

Need for Follow-On Investments

Following its initial investment in a given Fund investment, a Fund may decide, or have the opportunity, to provide additional funds to such investment or may have the

opportunity to increase its investment in a successful Fund investment. There is no assurance that a Fund will make follow-on equity or debt investment or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on equity or debt investments or its inability to make such investments may have a substantial negative impact on a Fund investment in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, a failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful Fund investment or the dilution of the Fund's ownership in a Fund investment if a third party invests in such Fund investment.

Non-U.S. Investments

The Funds may invest in Fund investments and, indirectly through Fund investments, in portfolio companies that are organized or have substantial investments, sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the investors of a Fund with respect to the Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the investors of a Fund. The foregoing factors may increase transaction costs and adversely affect the value of Fund investments that invest outside the United States.

Additional risks include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. investments and companies may not be subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

Conflicting Investors Interests

Investors of the Funds may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner (or similar managing fiduciary) regarding an investment that may be more beneficial to one investor of a Fund than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the General Partner of the Fund (or similar managing fiduciary) generally will consider the investment and tax objectives of the particular Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

Hedging Arrangements and Related Regulations

The Firm may (but is not obligated to) endeavor to manage a Fund's or any Fund's investment's securities, currency or interest rate exposures, or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements

will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian, or intermediary in connection with such hedging. OTC contracts may expose the Funds to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the Firm and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("**CFTC**") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Funds or a portfolio fund to hedge its exposure becomes limited by such requirements.

Fee Structure

In addition to the management fee and the carried interest paid to Sturbridge, the Funds' investments will likely impose management fees and other administrative expenses as well as carried interest payments on appreciation and other income. In addition, some Fund investments may be structured vehicles ("**Structured Vehicles**") that hold underlying portfolio funds and impose an additional level of carried interest, management fees or other expenses on the Funds. This will result in greater expense to the investors of the Funds than if the investors were able to invest directly in Fund investments or their underlying portfolio companies.

Investments Longer than Term

The Funds may make investments that may not be advantageously disposed of, or have liabilities that may not be realized, prior to the date that the Funds are terminated, either by expiration of a Fund's term or otherwise, or a Fund's term may be extended to facilitate the wind-down of a particular Fund. Although the Firm expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Firm has a limited ability to extend the term of a Fund as set forth in the relevant governing document, and the Fund may have to sell, distribute, or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of termination. To the extent that such investments are held in trust, the trust may incur operating and formation expenses. In addition, there can be no assurances with respect to the timeframe in which a Fund winding-up and the final distribution of proceeds to the investors of a Fund will occur.

Cybersecurity Breaches and Identify Theft

The information technology systems of the Funds, a Funds' investment and/or their respective service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although Sturbridge implements various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the Firm, the Funds and/or a Funds' investment may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues.

The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Sturbridge's, the Funds and/or a Funds' investment operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm's, the Funds' and/or a Fund investment's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a Fund investment is subject to cyber-attack or other unauthorized access is gained to a Fund investment's systems, such investment may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or underlying portfolio company financial information; (iii) underlying portfolio company software, contact lists or other databases; (iv) underlying portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a Fund investment's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Funds' investment or the Funds to substantial losses.

Carried Interest Compensation

The fact that the Firm's carried interest is based on a percentage of net profits with respect to Fund investments may create an incentive for the Firm to cause the Funds to make riskier or more speculative Fund investments than would otherwise be the case. Additionally, current U.S. federal income tax law extends the minimum holding period to obtain long-term capital gains treatment with respect to carried interest from one year to three years. Such tax laws may create a further incentive for the Firm to hold an investment for a longer period.

Conflicts of Interest

In connection with managing multiple investment funds, the Firm expects to spend a portion of their business time and attention pursuing investment opportunities for more than one investment fund at a time. The Firm's investment staff will continue to manage and monitor such investment funds and investments, although the Firm expects that the time required to do so will be less than will be spent on Fund related matters. The Firm believes that the significant investment of the personnel of the Firm, as well as the personnel's interest in the carried interest, operate to align, to some extent, the interest of the Firm with the interest of the investors of the Funds, although the personnel have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the personnel may control or manage may compete with another Fund or investments acquired by another Fund. Certain investments may be allocated among the Funds in a manner as set forth in the relevant governing document.

The Firm manages several investment funds and certain investment opportunities suitable for one Fund are likely also to be suitable for one or more Fund(s). In determining which Funds should participate in such investment opportunities, the Firm may be subject to potential conflicts of interest among the investors in one Fund and investors in another Fund(s). To determine whether a Fund will participate in the relevant investment opportunity, the Firm generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of a Fund's relevant governing document, as well as factors including but not limited to: each Fund's investment restrictions and objectives, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable

regulatory restrictions, life cycle and structure. A Fund may invest together with other Funds advised by the Firm in the manner set forth in the relevant governing documents. The Firm will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Firm's obligations and may take into consideration factors such as those set forth above.

Moreover, the Firm may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The Firm, in its sole discretion, will allocate fees and expenses in accordance with the relevant governing documents of the Funds and in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant.

Additionally, the Firm's carried interest compensation is based on a percentage of net profits and may create an incentive for the Firm to cause its Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. Further the management fee structure of certain of the Firm's Funds may create an incentive for the Firm to deploy capital when it might not otherwise have done so because (i) the Funds have a fixed investment period after which capital from investors of the Funds generally may only be drawn down in limited circumstances, and (ii) the management fee, at certain times during the life of a Fund, is calculated based upon the invested capital of the Fund.

Limitation of Recourse and Indemnification

The governing documents of each Fund limit the circumstances under which the Firm will be held liable to the Fund. As a result, investors of the Funds may have a more limited right of action in certain cases than they would have in the absence of such provisions. In addition, the governing documents of each Fund provides that, to the maximum extent not prohibited by applicable law, the Fund will indemnify the Firm for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to the investors of the Funds.

Uncertain Economic, Social, and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social, or economic unrest. Erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and its portfolio investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' investments.

Valuation of Assets

There is not an actively traded market for most of the securities owned by the Funds. When estimating fair value, the Firm will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts, and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the Firm gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Tax Risks

Investors of the Funds may be subject to state, local, and non-U.S. taxes in jurisdictions in which the investments of the Funds directly or indirectly invest or operate and therefore may also be required to file tax returns in such jurisdictions.

Changes in U.S. federal income (or other) tax laws could materially affect the tax consequences of an investor's investment in the Funds, and the tax treatment of each Fund's investments. While some of these changes could be beneficial, others could negatively affect the after-tax returns of the Funds and the investors of the Funds. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Funds, or of investments made by the Funds, will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the investors of the Funds.

Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information to combat tax avoidance. The United States, pursuant to the Foreign Account Tax Compliance Act ("**FATCA**"), has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information to combat tax evasion by United States tax residents using foreign accounts. FATCA includes certain provisions on withholding taxes and requires financial institutions outside the United States to collect and share information about their U.S. customers. In addition, the Organization for Economic Co-operation and Development ("**OECD**") has published a global Common Reporting Standard for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Funds and may require the Firm to collect and share with applicable taxing authorities information concerning investors of the Funds (including identifying information and amounts of certain income allocable or distributable to them). An investor's failure to provide required information may result in withholding taxes, government-imposed penalties, expulsion from the Funds or other potential remedies.

The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, an investor of the Funds might be found to have a different tax liability for that year than that was reported on its tax returns. In addition, a taxing authority's review of the Funds may result in a review of the returns of some or all of its investors, which examination could result in adjustments to the tax consequences initially reported by the Funds and affect items not related to an investor's investment in the Funds. If such adjustments result in an increase in tax

liability for any year, the Funds or one or more of the investors may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority's review of a Fund's tax returns will be borne by such Fund. The cost of any review of an investor of a Fund's tax return will be borne solely by such investor. The taxation of partnerships and partners is complex. Prospective investors are strongly urged to review the disclosure included in each Fund's relevant offering document and to consult with their own tax advisors concerning the tax considerations applicable to an investment in a Fund.

Item 9: Disciplinary Information

Neither Sturbridge nor any of our management personnel or employees are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court, nor have we been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10: Other Financial Industry Activities and Affiliations

As discussed, we provide investment management services to the Funds. We may in the future provide such services to other clients. Sturbridge and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of Sturbridge or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must place the interests of our Clients first.
- Employees must comply with all applicable securities laws; and
- Employees should not take inappropriate advantage of their position at Sturbridge.

All Sturbridge employees are deemed to be "Access Persons" and are required to adhere to a comprehensive Code of Ethics, which addresses matters including the misuse of nonpublic information, insider trading, outside business activities, gifts and entertainment, and political contributions. All employees are required to acknowledge receipt of the Code of Ethics and certify their adherence to the Code of Ethics on a quarterly basis.

In addition, all employees must provide information regarding their personal securities investment activities. This information is reviewed by the CCO to confirm the employee's personal securities transactions are consistent with the Firm's policies and procedures.

The Firm's Code of Ethics is available to Clients upon request.

Privacy Policy

We are committed to maintaining the confidentiality, integrity, and security of our Client's personal information. It is our policy to collect only information necessary or relevant to our management business and to use only legitimate means to collect such information. Without Client consent, we do not disclose any non-public personal information about our Clients or former Clients to anyone except as required for fund transactions, partner financial or other reports, for other purposes relating to our managing of our Funds and overseeing their investments to third parties, or as required by law. We restrict access to non-public personal information about our Clients to those employees with a legitimate business need for the information. Sturbridge maintains security practices, physical, electronic, and procedural safeguards to guard non-public personal information.

A copy of the Firm's Privacy Policy is included as Appendix A to this Brochure.

Item 12: Brokerage Practices

Sturbridge provides discretionary investment advice to the Funds that purchase Pooled Funds, which generally does not involve the use of brokers. In the event, the Funds receive an in-kind distribution of public securities, the Firm will utilize a broker to sell the securities. In such scenarios, brokers are selected on the basis of best price and execution. Soft dollar arrangements are not utilized.

Item 13: Review of Accounts

The Funds are reviewed on a continual basis by the Firm's Managing Partner and our Investment team to assure conformity with investment objectives and guidelines. The Firm manages multiple Funds that may have capital available for investment opportunities that are suitable for more than one Fund. We have a policy for the fair and equitable allocation of investments that generally analyzes each opportunity on an investment-by-investment basis, taking into consideration several factors, including but not limited to, each Fund's investment objectives and guidelines, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, and availability of capital. To the extent multiple Funds participate in a particular investment opportunity, such investment will generally be allocated on a pro-rata basis unless an alternative allocation method is warranted. Allocation methods applied by the Firm are on a fair and equitable basis consistent with our fiduciary obligation.

We engage in active management for the Funds and, accordingly, review our transactions, positions, and cash balances on an ongoing basis. Certain of our Funds are also reviewed by an advisory committee at least annually.

Investors receive periodic reporting that includes information regarding investments, cash transaction, expenses, leverage levels, and fund performance. The information is generally provided to investors electronically on a quarterly basis. In addition, financial statements are audited by an independent certified public accounting firm of nationally recognized standing annually.

Item 14: Client Referrals and Other Compensation

Sturbridge utilizes arrangements with third party placement agents to refer potential investors to certain of our Funds. Sturbridge compensates these placement agents, generally based on a fixed quarterly fee.

Item 15: Custody

While it is Sturbridge's practice not to accept or maintain physical possession of any of the Funds' assets (and our Funds' assets are in the custody of one or more prime brokers and/or banks), we are deemed to have custody of their assets under Rule 206(4)-2 of the Advisers Act because we have the authority to access Funds and deduct fees and expenses from the Funds' accounts.

To comply with Rule 206(4)-2, we utilize the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all assets of the Funds, except those assets (such as bank debt or other private investments) that are not capable of being held by a custodian. We also confirm that the qualified custodian maintains these assets in accounts bearing the respective Fund's name, including our name as agent for the Funds, and that such account contains only assets of the respective Fund.

While Rule 206(4)-2 generally requires an investment adviser to provide for a qualified custodian to send account statements to all of its Clients whose assets the custodian holds at least quarterly, we are not subject to such requirement because our Funds are subject to an audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. We distribute audited financial statements to all investors in the Funds on an annual basis.

Item 16: Investment Discretion

As described in Item 4, the Firm has discretionary authority for all Sturbridge Funds.

Item 17: Voting Client Securities

Sturbridge has proxy voting authority on behalf of its Funds; however, proxy voting is infrequent given the Funds are fund-of-funds and rarely include trading of equity securities. The Firm complies with its proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interest of the investors and include procedures for when there could be a material conflict of interest in voting proxies. The investors in the Firm's Funds may not direct voting of proxies.

Upon request, our Clients may obtain a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for the Fund.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. Sturbridge has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.

Appendix A Privacy Notice

Our Commitment to Your Privacy: We are sensitive to the privacy concerns of the individual investors of our Funds. We have a long-standing policy of protecting the confidentiality and security of information we collect about you. We are providing you this notice to help you better understand why and how we collect certain personal information, the care with which we treat that information, and how we use that information.

Sources of Non-Public Information: In connection with forming and operating our private investment funds for our investors, we collect and maintain non-public personal information from the following sources:

- Information we receive from you in conversations over the telephone, in voicemails, through written correspondence, via e-mail, or on subscription agreements, investor questionnaires, applications or other forms
- Information about your transactions with us or others, and
- Information captured on our website, including registration information and any information captured via “cookies.”

Disclosure of Information: We may disclose any of the information we collect, as described above, in connection with fund transactions, partner financial or other reports, or for other purposes relating to managing our funds and overseeing their investments to third parties, including:

- Financial service providers, such as broker-dealers, custodians, banks and others used to facilitate transactions for investors or our private funds,
- Other service providers to the general partner, the manager, their affiliates and/or our private funds, such as legal, accounting or tax preparation services,
- Portfolio investments, co-investors in portfolio investments and their respective advisors, if requested in connection with an investment, and
- Other private fund partners or parallel fund partners or investors in alternative investment vehicles in connection with closing documentation, investor reports, financial statements or other investor communications.

To the extent permitted by the applicable governing documents of the Funds, we may also disclose non-public personal information about you to third parties as permitted by law or regulation and to service providers.

Former Investors and Clients: We maintain non-public personal information of our former investors and clients and apply the same policies that apply to current investors and clients.

Information Security: We consider the protection of sensitive information to be a sound business practice, and to that end we employ physical, electronic and procedural safeguards to protect your non-public personal information in our possession or under our control.

Further Information: We reserve the right to change our privacy policies and this Privacy Notice at any time. The examples contained within this notice are illustrations only and are not intended to be exclusive. This notice is intended to comply with the

privacy provisions of applicable U.S. federal law. You may have additional rights under other foreign or domestic laws that may apply to you.