

Item 1: Cover Page

Part 2A of Form ADV Firm Brochure

March 10, 2023

Steel Canyon Capital, LLC

CRD No. 164025

2801 E. Camelback Road, Suite 460
Phoenix, Arizona 85016

phone: 602-428-5251
email: brett@steelcanyoncapital.com
website: None

This brochure provides information about the qualifications and business practices of Steel Canyon Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 602-428-5251. 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 state regulatory authority does not imply a certain level of skill or expertise.

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

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4: Advisory Business

A. Description of Your Advisory Firm

Steel Canyon Capital, LLC ("SCC"), is a limited liability company organized in the state of Delaware. The firm was formed in August of 2006 and became a registered investment adviser in October of 2012. The principal owner is Brett Huckelbridge.

B. Description of Advisory Services Offered

B.1. Investment Supervisory Services

SCC provides ongoing portfolio management services to its affiliate private funds (the "Funds") that are organized in the state of Delaware. Investment supervisory services include, but are not limited to, the following:

- Investment strategy
- Security selection
- Asset allocation
- Risk management

SCC is a value-focused investment firm, which seeks investments with attractive, risk-adjusted returns and manages its investments with a long-term perspective. Investment opportunities are evaluated based on the fundamental characteristics of each individual company and security. SCC invests when its professionals have identified securities trading at market prices that reflect substantial discounts to its independent assessment of fundamental, intrinsic value.

SCC evaluates the current investments of the Funds with respect to the Funds' objectives. SCC requires discretionary authority over the Funds in order to select securities and execute transactions in accordance with the terms and conditions of the Funds' operating documents.

B.2. Services Limited to Specific Types of Investments

SCC may invest in a broad range of assets, including equity and debt securities, fixed income securities, convertible securities, derivatives, options, and other financial instruments at management's discretion. SCC is not limited in the types of securities in which it invests.

The Funds are organized as limited partnerships or limited liability companies. SCC and its affiliates provide investment management services to the Funds.

Generally, SCC will provide advisory services to the Funds and an SCC affiliate will act as General Partner or Managing Member. These relationships are pursuant to and governed by each Fund's limited partnership or limited liability company agreement. Advisory services are generally not tailored to the needs of individual investors in the Funds. Investors in the Funds will participate in the overall investment program for the applicable Fund.

Investor capital is contributed in full at subscription and is subject to lock-up provisions, in accordance with the operating memoranda or agreement for each Fund.

C. Client-Tailored Services and Client-Imposed Restrictions

SCC offers similar investment services to each of the Funds it manages and does not manage individually tailored client portfolios. As such, any restrictions on a Fund's portfolio are described in the Fund's operating documents.

D. Wrap Fee Programs

SCC does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of December 31, 2022, SCC managed \$68,109,352 in discretionary private fund assets.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

As compensation for its advisory services, SCC receives a management fee based on the assets under management in each Fund. These management fees are fixed and governed by the agreements for each Fund. Management fees are paid quarterly in advance and are withdrawn directly from each Fund's account based upon prior written authorization from each Fund.

For capital contributed intra-period, management fees are prorated for the remaining days in the period. Each Fund's operating documents, partnership agreement, or limited liability company agreement sets forth the calculation of each Fund's management fee.

In addition to the asset-based management fees paid to SCC, an SCC affiliate acting as General Partner or Managing Member for the Funds is eligible to receive performance fees based on each Fund's overall profits and losses. These performance fees are governed by each Fund's operating agreement. Performance fees allocated to SCC affiliates may create an incentive for SCC to make investments with different risk and return characteristics than would be the case in the absence of performance-based compensation. Each Fund's operating agreement details the calculation of performance-based fees.

SCC, or an affiliate of SCC acting as General Partner or Management Member for the Funds, may waive, reduce, or rebate management or performance-based fees with respect to certain investors at its discretion.

The minimum subscription amount for Steel Canyon Partners, LP, is \$1,000,000, which may be waived by the Fund at its discretion. BHBL, LLC is a private fund created for a specific, limited group of investors and is not open to investment by non-affiliated parties.

Prior to investing in a Fund, an investor must complete a subscription agreement and investor qualification statement containing representations needed to establish the investor's eligibility to invest in the Fund.

B. Client Payment of Fees

All fees are withdrawn directly from the Funds' accounts based on written authorization. Management fees are paid to SCC quarterly in advance. Performance-based fees are paid annually to an SCC affiliate acting as General Partner or Managing Member, as applicable, for each Fund.

C. Additional Client Fees Charged

Management fees for the Funds as well as accounting, tax, audit, legal and other fees are disclosed in separate written agreements with the applicable fund issuer.

In addition to the management fee payable to SCC and performance-based fees payable to SCC affiliates, the Funds and Fund investors will bear certain Fund expenses as set forth in each

Fund's operating documents or partnership or limited liability company agreement. Each Fund may bear all expenses incurred in connection with the management, operations, or liquidation of the Fund including, but not limited to, the following:

- Third-party legal, audit, tax and accounting fees and expenses
- Third-party administrator fees and expenses
- Trading commissions
- Interest on margin accounts
- Custodial fees
- Any other expenses reasonably related to the purchase, sale, or transmittal of Fund assets

D. Prepayment of Client Fees

SCC requires the prepayment of its management fees. All management fees are governed under a separate management services agreement with the Fund issuer. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Performance-based fees that may be earned by SCC affiliates are not eligible for prepayment.

E. External Compensation for the Sale of Securities to Clients

Other than as disclosed in Item 10 of this Brochure, SCC's professionals are compensated solely through salary and bonus. Although SCC is not paid any sales, service, or administrative fees for the sale of investment products, SCC or its affiliates may be paid management fees and performance-based fees.

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

An affiliate of SCC may receive performance-based fees from Funds as described in a Fund's operating documents. Performance-based fees can create an incentive for SCC to take additional risks to earn higher fees, or prefer one type of investment to another in an effort to achieve the performance fee. Higher risks mean a higher probability of loss, which may conflict with an investor's risk tolerance and investment objectives. SCC addresses these conflicts by exercising its duties to each Fund to select the Funds' investments in accord with their respective investment objectives and in a manner that is fair and equitable to all Funds.

Other risks related to performance fees include an investment adviser overstating the value of illiquid or hard-to-value investments, as well as the fact that performance fees are calculated on a basis that includes unrealized appreciation of assets as well as realized gains. The agreements for each Fund address valuation procedures, and SCC monitors these potential conflicts through its compliance procedures.

An affiliate of SCC may charge performance-based fees to qualified investors who are defined as:

- A natural person or a company that immediately after entering into the contract has at least \$1,100,000 under the management of the investment adviser;
- A natural person or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
 - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000 at the time the contract is entered into, exclusive of the value of their primary residence; or
 - Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
 - A natural person who immediately prior to entering into the contract is:
 - An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
 - An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Item 7: Types of Clients

SCC provides portfolio management only to its affiliate Funds. SCC and its affiliates will provide investment advice to Funds, which will be investment partnerships or limited liability companies formed under domestic laws and operated as investment pools exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). The investors participating in the Funds may include institutional investors, family offices, and high-net-worth individuals. Investors may also include SCC's principals, direct or indirect, and other employees of SCC and its affiliates.

Generally, the minimum investment that a Fund will accept is disclosed in the applicable Fund's confidential operating documents. The minimum investment for SCP, LP, is \$1,000,000. BHBL, LLC is a private funds created for a specific, limited group of investors and is not open to investment by non-affiliated parties. The Fund's General Partner or Managing Member may waive the minimum investment requirement for a particular investor at its discretion. Prior to investing in a Fund, an investor must complete a subscription agreement and investor qualification statement containing representations needed to establish the investor's eligibility to invest in the Fund.

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

A. Methods of Analysis and Investment Strategies

SCC is a value-focused investment firm, which seeks investments with attractive, risk-adjusted returns and manages its investments with a long-term perspective. Investment opportunities are evaluated based on the fundamental characteristics of each individual company and security. SCC invests when its professionals have identified securities trading at market prices that reflect substantial discounts to its independent assessment of fundamental, intrinsic value.

SCC primarily utilizes fundamental analysis, which involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy normally encourages purchases of securities that are available at prices below SCC's estimates of fair value. The risk assumed is that the market will fail to reach SCC's estimates of value.

Each Fund is uniquely managed by its manager, and each Fund's investment strategy and methodology is detailed in the Fund's operating documents. The manager may rely on its personnel's operational and investment experience in specific industries, its own independent research, and other third-party sources. Further, on some occasions, issuers of securities may be interviewed to gather additional information about particular securities.

A.1. Material Risks of Investment Instruments

SCC may invest in less-liquid instruments, including securities issued by small companies, issuers in distress, less-frequently-traded portions of a company's capital structure, and other illiquid securities. At times, these illiquid securities may include securities for which trading is restricted by securities laws. Illiquid securities may be subject to greater volatility in market value, may be difficult to purchase and sell, and increase the chances of loss in the event of adverse developments. Securities identified by SCC as under-valued may fail to appreciate, remain under-valued indefinitely, or may decline, contrary to SCC expectations. Funds managed by SCC are typically concentrated among a few securities, and this relative lack of diversification may lead to wider fluctuations in the value of the portfolio and greater risk of loss.

SCC typically invests in equity securities, corporate debt instruments, option contracts on securities, and other types of securities as detailed below:

- Equity securities
- Warrants and rights
- U.S. government securities
- Corporate debt securities
- Options contracts on securities

A.1.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.1.b. Warrants and Rights

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

A.1.c. U.S. Government Securities

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

A.1.d. Corporate Debt Securities

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

A.1.e. Options Contracts on Securities

A call option is a contract under which the purchaser of the call option, in return for a premium paid, has the right to buy the security (or index) underlying the option at a specified price at any time during the term of the option. The writer of the call option, who receives the premium, has the obligation upon exercise of the option to deliver the underlying security against payment of the exercise price. A put option gives its purchaser, in return for a premium, the right to sell the underlying security at a specified price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy, upon exercise of the option, the underlying security (or a cash amount equal to the value of the index) at the exercise price. The amount of a premium received or paid for an option is based upon certain factors, including the market price of the underlying security, the relationship of the exercise price to the market price, the historical price volatility of the underlying security, the option period and interest rates.

B. Investment Strategy and Method of Analysis Material Risks

Each Fund is uniquely managed by its manager, and each Fund's investment strategy and methodology is detailed in the Fund's operating documents.

B.1. Margin Leverage

SCC may utilize leverage in the management of Fund portfolios. Using leverage requires the Fund to pledge securities to cover the amount of borrowing and related interest costs. Leverage exacerbates the potential for gain as well the risk of loss. In declining markets the Fund may be required to pledge additional securities or to liquidate securities to reduce the amount of borrowing, which based on timing and market factors, could create significant risk of loss.

B.2. Short-Term Trading

SCC may utilize short-term trading. There is an inherent risk for Funds that trade frequently in that frequent trading creates transaction costs that in the aggregate could negatively impact Fund performance.

B.3. Short Selling

SCC may engage in short selling. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the Fund is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4. Option Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow Funds to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

SCC as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Short put option strategy

B.4.a. Covered Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the Fund's portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.4.b. Long Call Option Purchases

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.4.c. Long Put Option Purchases

Long put option purchases allow the option holder to sell or "put" the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.4.d Short Put Option Strategy

Short put option strategy is highly speculative and has theoretical potential for significant loss. The seller (writer) of the put option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain above the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security decrease below the contract strike price, the option writer can either purchase the put option at a loss, or through a process of exercise and assignment be forced to buy the stock at the contract strike price. If this happens, the option writer will be purchasing the underlying security at a price potentially well above its then-current market value, exposing the investor to potential loss.

C. Concentration Risks

There is an inherent risk for funds whose investment portfolio lack diversification—that is, they have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, or one investment manager. Funds that have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

SCC and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

B. Administrative Enforcement Proceedings

SCC and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

C. Self-Regulatory Organization Enforcement Proceedings

SCC and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

SCC is not registered as broker-dealer and does not have an application to register pending.

B. Futures or Commodity Registration

SCC is not registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and does not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Brett Huckelbridge is the owner of Steel Canyon Investments, LLC, the General Partner or Managing Member of the affiliate Funds Steel Canyon Partners, LP and BHBL, LLC. SCC strives to always act in the best interests of the Funds. As a result of the foregoing, the members and/or partners and principals and affiliates of the SCC affiliates may have conflicts of interest in allocating their time and activity between the Funds, in allocating investments among Funds, and in effecting transactions for the Funds.

Brett Huckelbridge is a Director of Global Water Resources, Inc., a publicly traded company (ticker GWRS). SCC does not utilize Global Water Resources as a portfolio investment.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

SCC does not utilize or select other advisers or third-party managers. All assets are managed by SCC personnel.

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

A. Code of Ethics Description

In accordance with the Advisers Act, SCC has adopted policies and procedures designed to detect and prevent insider trading. In addition, SCC has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of the firm. SCC will send the Funds a copy of its Code of Ethics upon written request.

SCC has policies and procedures in place to ensure that the interests of the Funds are given preference over those of the firm, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material nonpublic information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

SCC does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). SCC may recommend securities to the Funds in which it, or one of its affiliates, has some proprietary or ownership interest. See Disclosure in Item 10 of this Brochure.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

SCC, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for the Funds in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the Funds, or
- considered for purchase or sale for the Funds.

Such conflict generally refers to the practice of front-running (trading ahead of the Fund's account), which SCC specifically prohibits. SCC has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the Funds' best interest,
- prohibit front-running, and
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of the Funds.

Advisory representatives and employees must follow SCC's procedures when purchasing or selling the same securities purchased or sold for the Funds.

D. Fund Securities Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

SCC, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for the Funds. SCC will make a reasonable attempt to trade securities in Fund accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. It is the policy of SCC to place the Funds' interests above those of the firm and its employees.

The General Partner or Managing Member, SCC, the partnerships, and their principals and affiliates (collectively, the "related parties") may serve as advisers or managers to other accounts and conduct investment activities for their own accounts. Such other entities, clients, or accounts may have investment objectives or may implement investment strategies similar to those of the partnerships. The related parties may also have investments in certain of the entities managed by any of the related parties. In addition, certain of the related parties receive certain fees described herein regardless of the success of the partnerships and their investments.

As a result of the foregoing, the members and/or partners and principals and affiliates of the related parties may have conflicts of interest in allocating their time and activity between the partnerships and other clients, in allocating investments among partnerships and other clients, and in effecting transactions for partnerships and other clients, including ones in which the related party may have a greater financial interest. In addition, there is no assurance that the General Partner or Managing Member will devote adequate time to the partnerships' operations or that any related party will devote adequate time to the related party with respect to which it performs services or management. If a related party suffers or is distracted by adverse financial or operational developments in connection with its operations unrelated to the related party to which it is performing management or other services, it may allocate less time and/or resources to such related party's operations. If any of these things occur, the value of your investment may suffer.

SCC requires its employees to adhere to SCC's code of ethics, which provides that SCC employees must put the interests of SCC's clients first in every situation and deal fairly and objectively with all clients when taking investment action.

Item 12: Brokerage Practices

A. Factors Used in Recommending Prime Brokers, Broker-Dealers and Custodians

A.1. SCC Recommendations of Prime Brokers, Broker-Dealers and Custodians

SCC does not recommend prime brokers, broker-dealers and custodians ("custodian") to domicile a Fund's portfolio assets; however, SCC may, at the Fund's request, recommend that the Fund establish prime brokerage accounts with one or more custodians, depending on the Fund's needs, to maintain custody of Fund assets and to effect trades for its accounts. Please see additional disclosure regarding best execution detailed in Item 12.B.1. Although SCC may recommend that the Fund establish accounts at a particular custodian, it is the Fund's decision to custody assets with such custodian. SCC is independently owned and operated and not affiliated with any custodian.

For Fund accounts, the custodian may or may not charge separately for custody services, but may be compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into the custodian's accounts.

SCC will recommend to the Funds certain prime brokers, broker-dealers and/or custodians based on the needs of the individual Fund, taking into consideration the nature of the services required, the experience of the prime broker or custodian, the cost and quality of the services, the financial and operating condition, and the reputation of the custodian. The final determination to engage a custodian recommended by SCC will be made by and in the sole discretion of the Funds. The Funds recognize that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the Funds. The Funds are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. Soft Dollar Arrangements

SCC does not utilize soft dollar arrangements.

A.1.b. Institutional Trading and Custody Services

The custodian provides SCC with access to its institutional trading and custody services. These services are generally available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's Fund assets are maintained in accounts at the custodian. The custodian's brokerage services may include the execution of securities transactions, trade settlement and clearance, and research.

A.1.c. Other Products and Services

The custodian may also make available to SCC other products and services that benefit SCC but may not directly benefit the Funds. Many of these products and services may be used to service all or some substantial number of SCC's accounts, including accounts not maintained at the custodian. The custodian also makes available to SCC software and other technology that

- provide access to Fund account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple Fund accounts
- provide research, pricing, and other market data
- facilitate payment of SCC's fees from its Fund accounts
- assist with back-office functions, recordkeeping, and Fund reporting

In evaluating whether to recommend that Funds custody their assets at the custodian, SCC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

A.1.d. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to SCC. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third-party providing these services to SCC.

A.2. Brokerage for Client Referrals

SCC does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage**A.3.a. SCC Recommendations**

SCC typically trades through the Fund's prime broker but reserves the right to trade through other executing brokers at its discretion in accordance with its best execution obligations.

A.3.b. Client-Directed Brokerage

SCC does not allow the Funds to direct SCC to use a specific broker-dealer to execute transactions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

SCC has discretionary authority to determine which securities are to be bought and sold, the amount of such securities, the commission rates to be paid to effect such transactions, and the executing broker to be used. SCC recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. SCC will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing Fund orders. These factors include but are not limited to the following:

- The financial strength, reputation, and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance, and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the Fund
- Related matters involved in the receipt of brokerage services

B.2. Security Allocation

Since SCC manages Funds with similar investment objectives, the firm may aggregate transactions for assets for such Funds. In such event, allocation of the assets so purchased or sold, as well as expenses incurred in the transaction, is made by SCC in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such Funds.

SCC's allocation procedures seek to allocate investment opportunities among Funds in the fairest possible way, taking into account the Funds' best interests, available cash, conditions, and other operating criteria as disclosed in the applicable Fund operating documents and Partnership Agreement. SCC will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any Fund or group of Funds. Fund performance is never a factor in trade allocations.

SCC's advice to certain Funds and entities and the action of SCC for those and other Funds are frequently premised not only on the merits of a particular investment but also on the applicable investment objective, guidelines, and conditions of the applicable Fund. Thus, any action of SCC

with respect to a particular investment may, for a particular Fund, differ or be opposed to the recommendation, advice, or actions of SCC to or on behalf of other Funds.

B.3. Order Aggregation

Transactions for the same asset effected on behalf of more than one Fund may be aggregated.

Orders for the same security entered on behalf of more than one Fund or client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All Funds or clients participating in each aggregated order shall receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average-priced. However, when a trade is to be executed for an individual Fund account and the trade is not in the best interests of other Funds or accounts, then the trade will only be performed for that account. This is true even if SCC believes that a larger size block trade would lead to best overall price for the security being transacted. Presently, SCC does not provide separately managed account services, but reserves the right to do so in the future.

Item 13: Review of Accounts

A. Fund Reviews

The Funds' accounts are reviewed at least monthly by Brett Huckelbridge or his designee. Brett Huckelbridge is the chief investment officer and reviews Fund investments in accordance with the provisions of the Funds' operating documents.

B. Review of Client Accounts on Non-Periodic Basis

SCC may perform ad hoc reviews on an as-needed basis if there have been material changes in the Funds' investment objectives or a material change in how SCC formulates investment advice.

C. Content of Client-Provided Reports and Frequency

The Funds will receive statements monthly, but no less frequently than quarterly, directly from the custodian that detail the Funds' accounts including assets held and asset value.

Each Fund investor will receive quarterly summaries of the Fund's performance and of such investor's estimated Capital Account activity and balance for that quarter. Tax information, including a Schedule K-1, will be provided to Fund investors as soon as reasonably practicable following each calendar year. Fund investors will also receive audited financial statements for such year containing financial statements and a statement showing the change to such holder's Capital Account with respect to such year. SCC, in its discretion, may from time to time and at any time furnish such additional reports to the Fund investors as it may determine.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Other than what is disclosed in Item 12 regarding benefits the firm receives from its custodian(s), SCC does not receive economic benefits for referring clients to third-party service providers.

B. Advisory Firm Payments for Client Referrals

SCC does not enter into agreements with solicitors who refer prospective advisory clients to SCC in return for a fee.

Item 15: Custody

Because the General Partner or Managing Member of the Funds is an SCC affiliate, SCC may be deemed to have custody of their assets. However, all Fund assets are custodied by qualified, third-party custodians. The Fund custodian will send statements monthly, but no less than quarterly, detailing all transactions and holdings to BHBL, LLC and Steel Canyon Partners, LP. The funds undergo annual GAAP audits by PCAOB-registered firms subject to PCAOB review.

Brett Huckelbridge is the owner of Steel Canyon Investments, LLC, the General Partner or Managing Member of the private Funds Steel Canyon Partners, LP and BHBL, LLC. SCC strives to always act in the best interests of the Funds.

Item 16: Investment Discretion

SCC provides investment advisory services on a discretionary basis. SCC determines which securities are purchased and sold for the Funds, the amount of securities purchased or sold for the Funds, the amount of commissions to be paid, and the executing broker to be used. This authority is governed by each Fund's Investment Management Agreement with SCC.

Item 17: Voting Client Securities

SCC often has voting power with respect to securities in Fund accounts. When it has proxy voting power with respect to securities in a Fund's account, SCC owes certain fiduciary duties with respect to the voting of proxies. These fiduciary duties include (i) the duty of care that is required to monitor corporate events and to vote the proxies; and (ii) the duty of loyalty that is required to vote proxies in a manner consistent with the best interests of the Fund and to put the Fund's interests before SCC's own interests. In keeping with its fiduciary duties, SCC has adopted a Proxy Voting Policy, which sets forth SCC's policies and procedures designed to ensure that it votes each Fund's securities in the best interests of the Fund.

SCC will be authorized to take action and render any advice with respect to the voting of proxies for securities held in a Fund's account. SCC will make an independent valuation for each applicable company held in the Fund's account in accordance with its fiduciary obligations as detailed in this policy.

Except as required by applicable law, SCC will not be obligated to render advice or take any action on behalf of Funds with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

As a general rule, SCC will vote all proxies relating to a particular proposal the same way for all Fund accounts holding the security in accordance with SCC's Proxy Policy, unless a Fund specifically instructs in writing to vote such Fund's securities otherwise. When making proxy voting decisions, SCC may seek advice or assistance from third-party consultants, such as proxy voting services or legal counsel.

A copy of SCC's Proxy Voting Policy will be provided upon receipt of a written request.

Item 18: Financial Information

A. Balance Sheet

SCC does not require the prepayment of fees of \$500 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

SCC does not have any financial issues that would impair its ability to provide services to the Funds.

C. Bankruptcy Petitions During the Past Ten Years

SCC has not been the subject of a bankruptcy petition in the last ten years.