

Item 1 – Cover Page

STORY3 Capital Partners, LLC

March 30, 2023

15020 Altata Drive
Pacific Palisades, CA 90272
www.story3capital.com

This brochure provides information about the qualifications and business practices of STORY3 Capital Partners, LLC (together with its relying advisers, the “Company” or “STORY3”). If you have any questions about the contents of this brochure, please contact us at (310) 425-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

STORY3 Capital Partners, LLC is a registered investment advisor with the SEC. Registration does not imply or guarantee a certain level of skill or training.

Item 2 – Material Changes

This Brochure dated March 30, 2023 amends our Brochure that was filed on July 14, 2022.

Since July 14, 2022, we have amended the Brochure to reflect certain changes, including:

- (1)SCOPE Capital Management, LLC no longer provides asset management services; and
- (2) an update to our regulatory assets under management in Item 4.

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.

The foregoing is only a summary of the material changes to the Brochure. It does not purport to identify every change to the Brochure since the last annual update (e.g., format changes). This summary of material changes is qualified in its entirety by reference to the full discussion in this Brochure. Clients are encouraged to read the Brochure in detail and contact their account representative with any questions.

Further, any information set forth herein regarding pooled investment vehicles managed by the Company is qualified in its entirety by reference to applicable offering and governing documents. In the event of a conflict between the information set forth in this Brochure and the information in the applicable governing and/or offering documents, the governing and/or offering documents shall control.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	4
Item 6 – Performance-Based Fees and Side-By-Side Management	5
Item 7 – Types of Clients	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	18
Item 10 – Other Financial Industry Activities and Affiliations	18
Item 11 – Code of Ethics	19
Item 12 – Brokerage Practices	19
Item 13 – Review of Accounts	19
Item 14 – Client Referrals and Other Compensation	20
Item 15 – Custody	20
Item 16 – Investment Discretion	20
Item 17 – Voting Client Securities	20
Item 18 – Financial Information	20

Item 4 – Advisory Business

STORY3 Capital Partners, LLC (together with its relying advisers, the “Company” or “STORY3”) is a limited liability company and is headquartered in Los Angeles, California. STORY3 is principally owned by Rising Sons Capital, LLC. Peter Comisar, Chief Executive Officer of STORY3, is the principal owner of Rising Sons Capital, LLC. The Company has been doing business under its current ownership since 2018.

Based in Los Angeles, STORY3 is comprised of a long-established investment team. The team is led by Peter Comisar, a 30-year veteran dealmaker who previously served as a Partner Managing Director at Goldman, Sachs, & Co. (“Goldman Sachs”), where he was a member of the leadership team of the firm’s Consumer & Retail investment banking efforts, and as Vice Chairman at Guggenheim Partners, LLC (“Guggenheim Partners”). The core investment team has a long history of collaboration while at either or both of Goldman Sachs and Guggenheim Partners. The core investment team is comprised of Mr. Comisar, Samir Shah, and Ryan Nehoray (collectively, the “Principals”). Mr. Comisar and Mr. Shah have a 15+ year history of collaboration primarily while at Goldman Sachs and Guggenheim Partners, and Mr. Comisar and Mr. Nehoray have worked closely together since 2015. The STORY3 investment team is complemented by an experienced and integrated team of Senior Advisor operating partners (“Senior Advisors”).

STORY3 provides investment advisory services on a discretionary basis to clients, which are pooled investment vehicles, consisting of both private funds and special purpose vehicles (“SPVs”). STORY3, together with STORY3 Capital Management, LLC (which relies on STORY3’s Form ADV to file a single registration), manage assets on behalf of various types of commingled investment vehicles (collectively, the “Funds”).

The Funds seek to invest in businesses which the Company believes are valued at meaningful discounts to intrinsic value, or in situations where the entry valuation significantly understates the Company’s expectations for a company’s future growth prospects. As such, the Funds are agnostic to type of security within the capital structure, but rather focus on entering new investments at desirable attachment points with the potential for attractive risk-adjusted returns across market cycles.

As of December 31, 2022, STORY3 managed approximately \$ 1,000,569,872 of Fund assets, of which \$890,998,570 were on a discretionary basis, and \$109,571,302 were on a non-discretionary basis.

Item 5 – Fees and Compensation

Generally, STORY3, or its affiliate, as designated in the applicable Fund offering documents, receives a quarterly management fee in advance equal to 2% of the aggregate Fund commitments (the “Management Fee”). For certain Funds, a different rate will apply. As a result, please refer to each Fund’s offering materials (“Offering Documents”) to understand the manner in which the Management Fee is structured for each Fund. Additionally, in certain instances, the Management Fee will be negotiable and will be waived or reduced at the discretion of STORY3.

For certain Funds, STORY3 or its affiliate, as designated in the applicable Offering Documents, will also receive compensation in the form of carried interest. Carried interest is only payable to STORY3 if the Funds meet certain performance objectives. The specific terms and structure of the

carried interest are described in the applicable Offering Documents. In certain instances, as described in the applicable Offering Documents, certain investors in the Funds will be exempted from all or some portion of the carried interest. Additionally, in certain instances, the carried interest will be negotiable and will be waived or reduced at the discretion of STORY3.

In addition to the fees described above, the Funds generally bear all costs and expenses incurred in connection with their investments, including brokerage commissions, transaction fees, custodial fees and other related costs and expenses pursuant to the terms of the applicable Offering Documents. Additionally, the Funds bear certain organizational and operational expenses. Organizational expenses are subject to a cap in certain instances and will include out-of-pocket and internal expenses of the Company or its affiliates and its agents incurred in the formation of the Funds.

Operating expenses generally include, but are not limited to: (i) the investigation of investment opportunities (whether or not consummated), (ii) the acquisition, ownership, financing, management or disposition of investments, (iii) travel, (iv) administrative and other expenses related to the operation of each Fund, (v) fees paid to contractors, consultants, legal counsel, and other service providers, (vi) interest expenses, brokerage commissions and other investment costs incurred by or on behalf of each Fund, (vii) all other customary expenses and (viii) expenses associated with the preparation and distribution of reports to Fund investors. Additionally, the Funds will bear offering expenses. Further details on the additional expenses a Fund will bear are outlined in the respective Offering Documents.

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

STORY3 (or an affiliate) will receive performance-based fees (e.g., carried interest or incentive fees) in connection with the management of the Funds. The specific payment terms and other conditions of the performance-based fees available to STORY3 (or an affiliate) are set forth in the applicable Offering Documents, side letters and/or fee agreements. The receipt of performance-based fees from the Funds creates an incentive for the Company to make riskier or more speculative investments on behalf of the Funds than they would otherwise make in the absence of such performance-based fees. Performance-based fees also incentivize the Company to overvalue assets in order to increase the amount of its performance-based fees.

Similarly, STORY3 will charge Management Fees to the Funds that vary. Different Management Fees incentivize the Company to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to the Funds that are charged Management Fees (or performance-based fee arrangements) that are more profitable for the Company. Further, STORY3 or its personnel or affiliates will have other pecuniary interests in the Funds managed by the Company.

Item 7 – Types of Clients

STORY3 provides investment management services to clients (the Funds). Investors in the Funds (“Investors”) generally include various types of institutional investors, high net worth individual investors and other similarly situated investors.

For the Funds, the minimum investment amount varies and is outlined in the applicable Offering Documents. The minimum investment amount for the Funds is typically \$5 million; however, the minimum investment amount may be reduced at the discretion of STORY3. In most cases, STORY3 has the authority to change or waive any minimum investment requirements in accordance with the applicable Offering Documents.

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

The Company's primary objective is to generate attractive risk-adjusted returns by making control and minority investments in businesses throughout the consumer and retail value chain. The Company follows a disciplined process to source, diligence, structure, monitor, and exit its investments.

The Company utilizes the relationships of its Principals and their trusted reputations to generate a pipeline of differentiated, proprietary deal flow. The Company seeks to spend most of its time focused on deals sourced outside of auction processes. In addition to their internal resources, the Company's Senior Advisors and other advisors source compelling investment opportunities.

Due diligence is a methodical and detailed process at STORY3, and generally includes, but is not limited to, (i) an analysis of the competitive industry landscape and macro themes, (ii) an assessment of the management team and ownership structure, (iii) financial, accounting and tax review, (iv) legal and insurance due diligence, (v) detailed financial analyses, which includes an assessment of the quality and capacity for cash flow generation and sustainability, and (vi) a transaction structuring assessment, including consideration of how to mitigate downside risk while maintaining attractive upside participation. During due diligence, the investment team maps out the business plan going forward and evaluates its feasibility, risks to execution, and how the Company can exploit its operational value-add, network of operating partners and Senior Advisors, and other factors, to create a competitive advantage in driving a positive outcome for the investment. In addition, throughout the diligence process, the deal teams routinely refine the investment thesis and risks based on incremental information, which in turn informs the financial analyses, including potential outcomes under various scenarios. Prior to entering into any definitive agreement, transactions are thoroughly reviewed and presented to the Fund's investment committee, in addition to multiple iterative discussions by the Principals.

The STORY3 team utilizes a flexible and creative approach to structuring investments in order to optimize the needs of the target company and the return profile for the Funds. The ability to structure investments across the capital structure, from equity to debt, provides a broader range of investment opportunities for the Funds. Other structuring mechanisms, rights and protections are used to provide an asymmetrical return profile for target investments.

For certain investments, STORY3 seeks to employ an operational approach to add value to its portfolio companies, led by the efforts of its Senior Advisors and investment team (together, the "Investment Team"). This approach is focused on developing a robust roadmap and executing on company-specific value-enhancing operational initiatives through a hands-on approach in partnership with management. This approach begins during due diligence, during which the Investment Team identifies specific operational initiatives and opportunities for each investment. Prior to closing the investment transaction, the Investment Team generally works closely with

target company management teams to create operating plans, which are reviewed during the implementation and on-going execution of these plans. The Investment Team will generally employ an active and hands-on approach to implementing and monitoring the progress of each initiative, enhanced by leveraging its robust network of relationships across the consumer industry.

As the Company executes the tactical initiatives identified in its investment thesis for each portfolio company, it continually refines its views on monetization strategies. Importantly, the Company's Principals believe STORY3 is well-positioned to strategically position portfolio companies with potential buyers given the Principals' extensive history of calling on potential buyers as trusted advisors. In addition, the Principals have extensive experience executing public offerings and recapitalizations.

Risk Factors

In considering participation in the Funds, a prospective Investor should be aware of certain risk factors, which include the following:

Business Risks. Each Fund's investment portfolio is expected to consist primarily of securities or other interests issued by privately held 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. STORY3's prior experience is not necessarily indicative of a Fund's future results. While the Company intends for the Funds 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 will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

Concentration of Investments. The Funds will participate in a limited number of investments and will seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect the Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity and debt transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Investors will be required to bear Management Fees through a Fund during the investment period based on the entire amount of the Investors' commitments and other expenses as set forth in the applicable Fund's Offering Documents.

Dynamic Investment Strategy. While the Company generally intends to seek attractive returns for the Funds primarily through making private equity and debt investments as described in the Offering Documents, the Company reserves the right to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The Company may pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

Growth Equity Transactions. Each Fund's strategy may include targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds intend to invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invest.

Illiquidity; Lack of Current Distributions. An investment in the Funds should be viewed as an illiquid investment. 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. Furthermore, the expenses of operating the Funds (including the Management Fee payable to the Company) may exceed its income, thereby requiring that the difference be paid from the Funds' capital, including unfunded commitments.

Leveraged Investments; Borrowing. The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which are difficult to accurately forecast and may be impacted by regulatory restrictions and guidelines, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial

and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates, and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of a Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect a Fund's ability to generate attractive investment returns for a Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which a Fund may have been contracted to purchase.

The Funds may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations it is not expected that a Fund would be compensated for providing such guaranty or exposure to such liability. Co-investors are expected to receive the benefit of such guaranty, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Although use of such borrowing facilities enhances the Company's ability to close transactions quickly, such activity also increases risk and raises the possibility that the Fund will need to call additional capital to pay off such debt. Any use of leverage by a Fund may result in interest expense and other costs to a Fund that may not be covered by distributions made to a Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the Company or any of its affiliates and, in connection with incurring such indebtedness, the Company may, in its sole discretion, cause a Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage or provides any guaranty, such amounts may be secured by the capital commitments made by a Fund's Investors and other Fund assets. The inability of a Fund to repay any leverage secured by the capital commitments of the Fund's Investors could enable a lender to issue a capital call on behalf of the Fund.

Risks of Early-Stage Investments. The Funds may invest in the securities of smaller, less-established companies. Early stage and development stage companies often experience unexpected problems in the areas of operations, marketing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance. The Company has not established any minimum size for the companies in which it will invest.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the respective Offering Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most Fund investments will be difficult to value. Certain investments may be distributed in kind to the Investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Investors. After a distribution of securities is made to the Investors, many Investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Investors may be lower than the value of such securities determined pursuant to the Fund's partnership agreement, including the value used to determine the amount of carried interest available to the Company (or its affiliates) with respect to such investment.

Reliance on the Company and Portfolio Company Management. Control over the operation of the Funds will be vested with the Company, and each Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. If the Company is unable to attract or retain a sufficient number of investment professionals and other employees, it could have a similar adverse effect on the Funds. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the Company and the Principals. In addition, certain changes in the Company or circumstances relating to the Company may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the Company will monitor the performance of each Fund's investments, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Company generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

Absence of Operating History. New Funds have no operating history and will be entirely dependent on the Company. Furthermore, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Company or the Principals. In addition, a Fund's investments may differ from previous investments made by the Company or the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the Company in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may

be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Conflicting Investor Interests. Certain Investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Company regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Company generally will consider the investment and tax objectives of a Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to market downturns and/or market volatility in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Delayed Tax Information. The Funds may not be able to provide final annual tax filing information to Investors for any given fiscal year until after the initial tax filing deadlines for Investors' tax returns. Final annual tax information may not be available until the Funds have received tax-reporting information from its portfolio companies necessary to prepare final annual tax information. Accordingly, Investors will potentially be required to obtain extensions of the filing dates for their income tax returns. Each prospective Investor should consult with its own tax adviser as to the advisability and tax consequences of an investment in the Funds.

Changes in United States Tax Law. Future U.S. tax legislation and administrative guidance could materially affect the tax consequences of an Investor's investment in the Funds and the tax treatment of the Funds' investments. While some of these changes may be beneficial, others could negatively affect the after-tax returns of a Fund and its Investors. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in a Fund, or of investments made by a Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Investor.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. Numerous jurisdictions have enacted, or have committed to enact, legislation and administrative guidance requiring the collection and sharing of certain information in order to combat tax avoidance. The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the Organisation for

Economic Co-operation and Development (“OECD”) has proposed a worldwide tax information exchange standard. One or more of these information exchange regimes are likely to apply to the Funds, and may require the Company to collect and share with applicable taxing authorities information concerning Investors (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 remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity’s share of most payments attributable to investments in the United States, including dividends and interest (and potentially in the future, gross proceeds), and the Funds may be required to withhold such taxes from certain non-U.S. Investors, unless an exception applies.

U.S. Taxation of Carried Interest. U.S. federal income tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless such partnership has held the asset that generated such gain for more than three years. This could reduce the after-tax returns of the Principals, employees or other individuals associated with the Funds or the Company who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the Company and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. These same issues may also apply to officers, directors and employees of a Fund’s portfolio companies if such persons receive a profits interest in such companies. This would also create an incentive for the Company to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

Tax Liability Considerations. 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 the U.S. Internal Revenue Service (the “IRS”) or other applicable taxing authorities, an Investor might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority audit of a Fund may result in an audit of the returns of some or all of the Investors, which examination could result in adjustments to the tax consequences initially reported by a Fund and affect items not related to an Investor’s investment in a Fund. If such adjustments result in an increase in taxable income for any year, one or more of the Investors may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of a Fund’s tax return will be borne by the Fund. The cost of any audit of an Investor’s tax return will be borne solely by the Investor. The taxation of partnerships and partners is complex. Prospective Investors are strongly urged to review the Offering Documents for further disclosure and to consult their own tax advisors.

U.S. Federal Income Tax Liability Resulting from IRS Audits. U.S. federal income taxes arising from an IRS audit will be paid by the Funds absent an election to the contrary. In addition, a “partnership representative” (or, if applicable, a “designated individual”) will have the power to act on behalf of a Fund and its partners in all IRS audits and other proceedings involving a Fund’s U.S. federal income, loss, deductions, and credits. Further information can be found in the applicable Offering Documents.

Alternative Investment Fund Managers Directive. The Alternative Investment Fund Managers Directive (2011/61/EU) and related rules and legislation including any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction or any similar law, rule or regulation including any law, rule or regulation retaining EU law as a result of the United Kingdom (the “UK”) ceasing to be part of the EU (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic

Area¹ (“EEA”). To the extent that the Funds are actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) a Fund and the Company will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in a Fund incurring additional costs and expenses; (ii) a Fund and/or the Company may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in a Fund incurring additional costs and expenses or may otherwise affect the management and operation of a Fund; (iii) the Company will be required to make detailed information relating to a Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of a Fund in relation to EEA and UK portfolio companies including, in some circumstances, a Fund’s ability to recapitalize, refinance or potentially restructure an EEA or UK portfolio company within the first two years of ownership, which may in turn affect operations of a Fund generally. In addition, it is possible that some EEA jurisdictions or the UK will elect to restrict or prohibit the marketing of non-EEA or non-UK funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

In the future, it may be possible for non-EEA alternative investment fund managers (“AIFMs”) to market an alternative investment fund (“AIF”) within the EEA pursuant to a pan-European marketing “passport” instead of under national private placement regimes. The access to the passport may be subject to the non-EEA AIFM complying with various requirements under the AIFMD, which may include one or more of the following: rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on the use of leverage, additional disclosure and reporting requirements to both investors and EEA home state regulators, the independent valuation of an AIF’s assets, and the appointment of legal representatives and an independent depositary to hold assets. Certain EEA Member States have indicated that they will cease to operate national private placement regimes when or shortly after the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the Company may not seek to market interests in a Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in a Fund. Alternatively, if the Company sought to comply with the requirements needed to use the passport, this could have other adverse effects including, among other things, increasing the regulatory burden and costs of operating and managing a Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the Company’s ability to recruit and retain these personnel.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, for growth investments or acquisitions, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments 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 investments or its inability to make such investments may have a substantial negative effect on a portfolio company 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, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the

¹ “European Economic Area” means Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Funds may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks 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 the Funds and/or their Investors with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Funds and/or their Investors.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (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. 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.

Significant Adverse Consequences for Default. The Offering Documents provide for significant adverse consequences in the event an Investor defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting Investor may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest or may be required to forfeit its entire interest.

Dilution. Investors admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of a Fund, thereby diluting the interest of existing Investors in such investments. Although any such new Investor will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of a Fund's existing investments at the time of such contributions.

Carried Interest. The fact that the Company's carried interest is based on a percentage of net profits creates an incentive for the Company and/or its employees to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

Transfer by General Partner. To the extent the general partner of a Fund, its partners, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the applicable Offering Documents.

Public Company Holdings. A Fund's investment portfolio may from time to time contain securities and debt issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such

risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. The Funds may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the Company will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. It may take a number of years for the market price of distressed securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (e.g., due to failure to obtain requisite approvals), or will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied). In the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of their investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which a Fund invested.

Non-controlling Investments. The Funds will selectively and opportunistically hold meaningful minority stakes in privately-held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Funds hold a minority stake, it may be more difficult for the Funds to liquidate their interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability. The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to protect officers and directors adequately from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

Limitation of Recourse and Indemnification. The Offering Documents will limit the circumstances under which the Company and its affiliates will be held liable to the Funds. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of

such provision. In addition, the Offering Documents will provide that a Fund will indemnify the Company and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of a Fund. Such indemnification obligations could materially impact the returns to Investors.

Litigation. In the ordinary course of its business, the Funds are expected to be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Company's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Limited Access to Information. Investors' rights to information regarding a Fund or the Company generally will be specified, and in many cases strictly limited, by the Offering Documents. In particular, it is anticipated that the Company and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to Investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the Company's control. Decisions by the Company or its affiliates to withhold information may have adverse consequences for Investors in a variety of circumstances. For example, an Investor that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an Investor to monitor a Fund and its performance. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not a Fund succeeds in asserting confidentiality for requested documents and other materials, and the Company reserves the right to withhold certain information from Investors subject to such laws for reasons relating to the Company's public reputation, business strategy or other reasons.

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. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence is anticipated to be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses such as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, 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 their portfolio companies to execute their respective strategies and to receive an attractive return 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' portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates, commodity prices or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and Investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of their portfolio company investments. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the Company believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support their investment objective.

Inflation. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the Fund's returns.

Novel Coronavirus and Public Health Emergency. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

Russian Invasion of Ukraine. There is currently an ongoing military conflict between Russia and Ukraine, which has caused disruption to global financial, trade and transportation systems. In response, the United States and multiple other countries have put in place sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region and to the global economy are impossible to predict, but could be significant. Any disruptions caused by Russian military action or other actions (including

cyberattacks and espionage) or resulting actual and threatened responses to such activity, including purchasing and financing restrictions, boycotts or changes in consumer or purchaser preferences, sanctions, tariffs or cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, could have a severe adverse effect on Russia and the European region, including significant negative impacts on the Russian economy, the European economy and the markets for certain securities and commodities, such as oil and natural gas, and will likely have collateral impacts on those sectors globally as well as other sectors. How long such military action and related events will last cannot be predicted. As a result, the conflict between Russia and Ukraine and related events present material uncertainty and may have a material adverse effect on the Fund's investments and the operations of its portfolio companies. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia or Ukraine, they may have adverse consequences related to the ongoing conflict.

Material Non-Public Information. As a result of the operations of the Company, STORY3 Advisors, LLC ("STORY3 Advisors") and their affiliates, as well as in connection with officerships or directorships of Company personnel, the Company and STORY3 Advisors frequently come into possession of confidential or material, non-public information. Therefore the Company, STORY3 Advisors and their affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Company's internal policies. Due to these restrictions, the Funds may not be able to make an investment that they otherwise might have made or sell an investment that they otherwise might have sold.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the Company 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 Company 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.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company'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 portfolio company, or the Funds, to substantial losses, including reputational damage. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Company, its affiliates or one of their service

providers holding financial or investor data, the Company, their affiliates and/or the Funds may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations (“Privacy Laws”) in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Company, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and the Funds’ performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Company, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations with respect to the collection, retention and dissemination of personal data, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Company, the Funds and/or their portfolio companies.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and the Company may be required to make (and/or be responsible for another person’s or entity’s breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds and, ultimately, the Investors.

STORY3 Advisors. STORY3 Advisors, an affiliate of the Company, is a transaction advisory and consulting firm that engages in a broad spectrum of activities. STORY3 Advisors provides a range of services to its clients, some of which may result in conflicts of interest between the Funds, on the one hand, and STORY3 Advisors and certain of its clients, on the other hand. STORY3 Advisors and its affiliates may earn and retain certain fees from Fund portfolio companies, their affiliates or certain other persons in connection with the Funds or portfolio company transactions (which will not offset or reduce the Management Fee), which also creates potential conflicts of interests with respect to the

Funds. In certain instances, such conflicts of interest may be resolved in a manner adverse to the Funds and their ability to achieve their investment objectives.

Dependence on Key Personnel. The success of the Funds will be highly dependent on the expertise and performance of the Company, professionals and advisors, including Mr. Comisar. There can be no assurance that any individual professional or advisor will continue to be associated with the Company or any of its affiliates throughout the life of the Funds. The ability to recruit, retain and motivate such professionals and advisors is dependent on the ability of the Funds to offer attractive incentive opportunities. If legislation were to be enacted to treat carried interest as ordinary income rather than capital gain, the amount of taxes that such professionals or advisors would be required to pay with respect to their carried interest, if applicable, would materially increase, thereby adversely affecting the ability of the Company and the Funds to offer such attractive incentive opportunities. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Funds.

Consumer Industry. The consumer and retail industry, which is the focus of the Company, is very competitive, and has a significant number of competitors. Market success is subject to a number of factors, many of which lie outside the control of the Company and the Funds' portfolio companies. In addition, such portfolio companies may face competition from a number of other companies, including ones with greater financial and other resources. Portfolio companies may ultimately be unsuccessful in gaining significant market position or an anticipated market opportunity may not develop as expected. In either case, investment results may be affected in a materially adverse manner.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Company or the integrity of the Company's management. The Company and/or its representatives have not ever been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction, an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority, and/or a self-regulatory organization (SRO) proceeding that would be considered material to your evaluation of the Company or the integrity of the Company's management.

Item 10 – Other Financial Industry Activities and Affiliations

The Company and its management persons are not registered, nor have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. In addition, the Company does not recommend or select other investment advisers for clients.

The Company has the following affiliates, as disclosed in Section 7.A and Schedule R of Form ADV Part 1:

1. STORY3 Advisors, LLC (CRD 289456), a broker-dealer regulated by FINRA;
2. STORY3 Capital Management, LLC (CRD 322377), a registered investment adviser regulated by the SEC and relying adviser to the Company;

3. STORY3 Consumer Opportunities Fund I GP, L.P., a general partner of pooled investment vehicles;
4. STORY3 Consumer Opportunities Fund II GP, L.P., a general partner of pooled investment vehicles;
5. STORY3 ReNew GP, LP, a general partner of a pooled investment vehicle;
6. STORY3 Recover GP, LP, a general partner of a pooled investment vehicle;
7. STORY3 CR GP, LP, a general partner of a pooled investment vehicle;
8. STORY3 HI GP, LP, a general partner of a pooled investment vehicle.

In addition, a subsidiary of STORY3, STORY3 Credit Partners, LLC will be engaged in the loan origination and/or servicing businesses. In connection with its lending activities, such loan origination and/or servicing businesses will receive certain fees, including, management fees, incentive fees, director's fees, commitment fees, investment banking fees, financial consulting fees, break-up fees, termination fees, closing fees, collateral monitoring fees, debt placement fees and other similar fees received as part of such loan origination and/or servicing businesses. The Funds or the issuers of financial instruments held by the Funds will acquire loans originated, structured, arranged and/or placed and/or arranged by such affiliated loan origination and/or servicing businesses and in respect of which such businesses receive fees. To the extent set forth in the applicable Offering Documents, some or all of these fees will not be applied to reduce Management Fees or other fees payable by the Funds or any of its investments or otherwise directly or indirectly benefit the Funds or any Investors.

Item 11 – Code of Ethics

The Company has adopted a Code of Ethics (the "Code") for all supervised persons of STORY3 describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the use and safeguarding of confidential information; the prevention of insider trading; outside business relationships of the Company's employees; gifts and business entertainment; and communications with outside parties, among other things. All supervised persons at the Company acknowledge the terms of the Code at hire, as amended with material changes and/or annually.

The Company will provide a copy of the Code to any client or prospective client upon request.

Item 12 – Brokerage Practices

General Brokerage Practices

STORY3 generally does not cause the Funds to transact in marketable securities through broker-dealers. However, in situations where the Company may need to select a broker-dealer, the Company will consider the broker's execution capabilities, including block positioning, research, financial stability, and the ability to maintain confidentiality, delivery timelines and ability to obtain best execution for all client securities transactions. STORY3 has the ability to recommend STORY3 Advisors, its affiliated broker-dealers, to its clients. These types of arrangements are disclosed in the Offering Documents.

Brokerage Services by STORY3 Advisors

STORY3 Advisors may provide private placement brokerage services in connection with transactions involving securities.

Brokerage for Client Referrals

STORY3 does not generally receive client referrals from brokers and does not select brokers based on referrals.

Item 13 – Review of Accounts

STORY3's investment professionals review the investments of each Fund on an ongoing basis. STORY3 investment professionals review investment performance, and conduct performance attribution analysis, risk analysis and strategic planning for each Fund. The Company's Principals provide supervisory management for the entire business, including with respect to the Funds. For certain Funds, STORY3 facilitates the preparation of written annual financial information for each Fund. These reports are provided to Investors.

Item 14 – Client Referrals and Other Compensation

The Company does not have any arrangements, oral or in writing, where it is paid or receives economic benefit from a non-client in connection with the services the Company provides to its clients or prospects, including investment advice. The Company does not directly or indirectly compensate any person for client referrals.

Item 15 – Custody

STORY3 will comply with the requirements of Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Funds. Upon completion of each Fund's annual audit, STORY3 will ensure that the audited financials are distributed to Investors within 120 days of the Fund's fiscal year end, or sooner as described in the applicable Offering Documents. Investors should contact STORY3 if financials are not delivered promptly or if they have any questions about the contents.

Item 16 – Investment Discretion

STORY3 receives discretionary authority from the Funds at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the investment policies, limitations and restrictions of the particular Fund as outlined in each Fund's Offering Documents.

Item 17 – Voting Client Securities

STORY3 provides investment advisory services to the Funds. The Funds generally do not invest in securities that generate proxies or corporate actions. In the unlikely event that STORY3 receives a proxy or corporate action, the Fund's investment committee will determine whether or not voting such proxy is in the best interest of the Fund. If the Fund's investment committee determines that it is in the best interest of the Fund to vote a proxy, then the Fund's investment committee shall document both the voting decision and underlying analysis.

A copy of STORY3's proxy voting policies and procedures, as well as a record of any proxies voted, is available to clients upon request.

Item 18 – Financial Information

Under no circumstances does STORY3 require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, STORY3 is not required to include a financial statement. In addition, the Company has no financial circumstances likely to impair its ability to meet its commitments to clients, and has not been the subject of a bankruptcy proceeding.