

**Item 1 – Cover Page**

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

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**March 27, 2023**

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Lumos Capital Group LLC. If you have any questions about the contents of this Brochure, please contact us at (917) 847-5468 or [www.lumoscapitalgroup.com](http://www.lumoscapitalgroup.com). 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.

Lumos Capital Group LLC is an investment adviser that registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser does not imply any level of skill or training.

Additional information about Lumos Capital Group LLC also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Lumos Capital Group LLC (the “Adviser”) filed its initial Brochure on June 23, 2022. Since the initial filing, there were no material changes made to this Brochure.

*The information set forth in this Brochure is qualified in its entirety by reference to a Client's Governing Documents (as defined herein) and/or offering documents. In the event of a conflict between the information set forth in this Brochure and the information set forth in a Client's Governing Documents and/or offering documents, the Client's Governing Documents and/or offering documents shall take precedence.*

### **Item 3 - Table of Contents**

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.....	7
Item 7 - Types of Clients .....	7
Item 8 - Investment Strategies, Investment Philosophy and Risk of Loss .....	8
Item 9 - Disciplinary Information.....	12
Item 10 - Other Financial Industry Activities and Affiliations.....	12
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	13
Item 12 – Brokerage Practices.....	14
Item 13 - Review of Accounts.....	14
Item 14 – Client Referrals and Other Compensation .....	15
Item 15 - Custody .....	15
Item 16 - Investment Discretion .....	15
Item 17 - Voting Client Securities.....	16
Item 18 - Financial Information .....	16

#### **Item 4 - Advisory Business**

For purposes of this Brochure, the “Adviser”, “Lumos” or the “Management Company” means Lumos Capital Group LLC, a Delaware limited liability company formed in November of 2019. Lumos is an investment advisory firm with its headquarters in New York, NY. The Adviser is principally owned, led, and managed by Victor Hu and James Tieng (the “Principals”), as well as various investment professionals of Lumos dedicated to the Fund (collectively with the Principals, the “Investment Team”).

The Adviser provides investment advisory, management and other services on a discretionary basis to private investment funds (each a “Fund”, “Client” or “Partnership”, and collectively, the “Funds”, “Clients” or “Partnerships”), for sophisticated, qualified investors (“Investors” or “Limited Partners”). The general partner or equivalent of each Fund is, or will be, an affiliate of the Adviser (each a “General Partner”). Each General Partner is, or will be, subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Adviser’s registration in accordance with SEC guidance.

Lumos has access to a broad investment team with a cumulative 40-plus years of experience working in the Human Capital Development (“HCD”) and technology sectors at leading firms in the private equity, venture capital, investment banking and management consulting industries. Lumos leverages an advisory board consisting of various senior executives, academic leaders and investment professionals; these individuals represent respected leaders in the HCD sector globally as well as senior investment professionals with areas of geographic focus and investment expertise that are complementary to the investment team and additive to the Fund’s investment strategy. Pursuant to each of the Fund’s offering memorandum (“Governing Documents”), the Firm will focus on identifying, capitalizing, and growing what it believes are the most promising companies in the HCD market.

Advisory services are tailored to achieve the Clients’ investment objectives. The Firm has the authority to select which investments are suitable, without consultation with the Fund or its investors.

The Firm does not participate in wrap fee programs.

As of December 31, 2022, the Adviser manages approximately \$194,145,000 in Client assets on a discretionary basis through the Funds.

#### **Item 5 - Fees and Compensation**

In general, the Adviser receives a management fee from each of the Funds that it manages as compensation for the investment advisory services rendered to the applicable Fund. The Adviser also typically receives performance-based compensation or carried interest pursuant to the applicable Governing Documents for such Fund; see also Item 6. “Performance-Based” below.

The Adviser or its affiliates may receive additional compensation in connection with management and other services performed for portfolio investments of the Funds, and such additional compensation generally will offset in whole or in part the management fees otherwise payable to the Adviser in accordance with the relevant Governing Documents. Investors in a Fund also bear certain expenses, as set forth in the Governing Documents of such Fund.

The precise amount, the manner of calculation and the manner and timing of payment of any such management fee, carried interest, or performance-based compensation for each such Fund are

established by the Adviser, as modified by negotiations with Investors in the applicable Fund, and are set forth in such Fund's Governing Documents provided to each Investor prior to investment in such Fund. Nonetheless, the structure of the management fee and carried interest which the Adviser currently employs and which the Adviser expects to employ with respect to future Funds going forward is summarized below.

### **Management Fees**

The Fund will pay to the Advisor an annual management fee (the "Management Fee") as follows: (i) prior to the end of the commitment period, the Management Fee will equal 2.0% of the capital commitments of the Fund's Limited Partners and (ii) following the end of the Commitment Period, the Management Fee will equal 2.0% of the Fund's Net Invested Capital. For purposes hereof, the term "Net Invested Capital" means capital contributions used to fund the cost of, and remain invested in, investments, less any writedowns of any investment (net of any writeups of the same investment). Net Invested Capital will be increased quarterly by any capital contributions used to fund investments that are made during such period and decreased quarterly by amounts distributed to partners as a return of capital. The Management Fee will be payable in advance on a quarterly basis. The Management Fee may be paid out of monies otherwise available for distribution or out of capital calls.

The Firm or its affiliates may charge portfolio investments, prospective portfolio investments or their affiliates various fees (i.e., monitoring fees, consulting fees). To the extent these fees are charged in respect to the assets of any Fund, they will reduce the amount of management fees charged to such Fund's investors on a dollar for dollar basis. The Firm and/or its affiliates may elect not to collect certain of the fees described below.

Each Fund is generally responsible for all organizational expenses incurred by the Firm and its affiliates in connection with the formation and organization of such Fund and the applicable General Partner. In addition to the Management Fee and carried interest allocable to the Adviser, the Funds will pay all other fees, costs, expenses, liabilities, and obligations relating to the Funds and their activities, business or actual or potential investments (to the extent not borne or reimbursed by a portfolio investment) (such expenses, "Partnership Expenses"). The Partnership shall be liable for, and shall pay, the following expenses, which shall include: (i) the Management Fee of the Management Company; (ii) except as otherwise provided herein, out-of-pocket investment costs, such as investment banking fees and brokerage and underwriting commissions, transfer taxes and finder's commissions; (iii) all out-of-pocket expenses of the Partnership relating to sourcing, investigating, acquiring, monitoring, distributing and disposing of Investments (including, without limitation, reasonable travel and other out of pocket expenses); (iv) domestic and foreign taxes payable by the Partnership and all other taxes, stamp and other duties and other governmental charges payable by or on behalf of the Partnership; (v) fees and disbursements of outside auditors relating to any audit of, or accounting services with respect to, the books and records of the Partnership including, without limitation, the preparation of the periodic reports required to be delivered; (vi) fees and disbursements of attorneys, consultants, accountants, third party appraisers, fund administration service providers and valuation experts (to the extent third party appraisal services or valuation services are contemplated by the Limited Partners hip Agreement) and other professionals (including, without limitation, legal fees in connection with the legal opinions required to be delivered pursuant to the Limited Partners hip Agreement; (vii) interest expenses on borrowings permitted by the terms of the Limited Partners hip Agreement and all expenses incurred in negotiating, entering into, effecting, maintaining, varying and

terminating any borrowing or guarantee permitted to be incurred by the Limited Partnership Agreement (including, without limitation, any promissory note issued to a Limited Partner pursuant to the terms of the Limited Partnership Agreement); (viii) for Lumos Fund I LP and Lumos Fund I-A LP: up to \$750,000 in reimbursement or payment of Organizational Expenses; (ix) Placement Fees; (x) all Broken Deal Expenses; (xi) expenses of members of the Advisory Committee; (xii) the amounts required to be paid to any Indemnitee or other Person; (xiii) expenses incurred in connection with meetings of the Partnership; (xiv) all insurance premiums or similar expenses incurred by the Partnership, the General Partner, the general partner of the General Partner or the Management Company in connection with the activities and management of the Partnership (including, without limitation, fidelity insurance); (xv) the cost of maintaining records and books of account in relation to the business of the Partnership; (xvi) all costs and expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the Limited Partnership Agreement and all reasonable costs and expenses of, and/or incidental to, the preparation of amendments to the Limited Partnership Agreement; (xvii) all costs and expenses of, and/or incidental to, the preparation and dispatch to the Partners of all checks, reports, circulars, forms and notices and any other documents necessary or desirable in connection with the business and administration of the Partnership; (xviii) all costs and expenses incurred as a result of termination of the Partnership and the distribution, realization or disposal of Portfolio Companies and other Partnership assets pursuant thereto; (xix) all costs and expenses of any threatened or actual litigation involving the Partnership and the amount of any judgment or settlement paid in connection therewith, excluding however the costs and expenses of any litigation, judgment or settlement with respect to which an Indemnitee or other Person is not entitled to indemnity; (xx) all expenses incurred in relation to the registration of any securities of a Portfolio Company or the custody of the documents of title thereto (including, without limitation, bank charges, insurance of documents of title against loss in shipment, transit or otherwise, and charges made by agents of the General Partner or the Management Company for retaining documents in safe custody); (xxi) the costs of forming and maintaining each Alternative Investment Vehicle or Feeder Vehicle; (xxii) all compensation and expenses of operating professionals engaged by the Management Company or one of its Affiliates to work with Portfolio Companies of the Partnership, and (xxiii) all other costs incurred in connection with the administration of the Partnership or otherwise that may be authorized by the Limited Partnership Agreement or approved by a Majority in Interest of the Limited Partners or the Advisory Committee.

### **Carried Interest**

The Adviser will receive carried interest with respect to Funds equal to a fixed percentage of all realized profits subject to a fixed percentage compound preferred return, as more fully described in the applicable Governing Documents. The carried interest distributed to the Adviser is subject to a potential giveback at the end of life of the Funds if the Adviser has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents.

Fund interests are offered and sold solely to “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) (or qualified knowledgeable Adviser personnel), and, as such, information regarding the fees and compensation payable by Clients is not required to be provided herein.

The fees and expenses described above are negotiated and agreed upon in connection with the establishment of the management relationship of the Funds and may be deducted from the amounts that would otherwise be retained by the Funds. Please refer to the Funds' Governing Documents for further information regarding the fees and expenses of SDC and the Funds.

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

As described above in Item 5. "Fees and Compensation," the Adviser or its affiliates may receive a carried interest allocation on certain realized profits in the Funds. These payments are subject to Section 205(a)(1) of the Advisers Act, in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The Adviser generally has the authority to waive carried interest with respect to certain partners as described above in Item 5. "Fees and Compensation."

The Firm is generally entitled to received performance-based compensation in the form of a carried interest allocation of 20%.

The timing of distributions will be as follows: (i) income from cash equivalent investments (net of operating expenses) will be distributed at least annually; (ii) current income earned (net of operating expenses) will be distributed at least quarterly; and (iii) net proceeds from the disposition of securities of portfolio companies (other than proceeds permitted to be reinvested as described below) will be distributed within 60 days of the Client's receipt of such disposition proceeds. In determining the amount to be distributed at any time, the General Partner may, in its sole discretion, set aside appropriate reserves for reasonably anticipated liabilities, obligations and commitments of the Client.

Additionally, to the extent that the Adviser's personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

The existence of carried interest and performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its Investors.

The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

## **Item 7 - Types of Clients**

As described in "Item 4 - Advisory Business", the Adviser provides investment advisory services only to Funds, which are investment partnerships, or similar entities, which are exempt from registration under the Investment Company Act. The Investors participating in the Funds may include

individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Principals or other employees of the Adviser and its affiliates and members of their families, and Consultants or other service providers retained by the Adviser.

The Governing Documents for each Fund sets forth a minimum capital commitment of \$5,000,000, subject to reduction at the discretion of the relevant General Partner.

Item 8 - Investment Strategies, Investment Philosophy and Risk of Loss As more fully described in the Governing Documents of each of the Funds, the Funds will principally seek to acquire minority interests of generally between 10% to 40% in HCD companies for which Lumos has a well-defined growth strategy, and where Lumos' Principals will play an active role in executing that strategy. At the discretion of the Firm, the Fund may also purchase majority interests. While HCD companies are growing rapidly in every geography, Lumos will focus mainly on companies in North America, with at least 70% of the capital to be deployed in companies domiciled in North America.

The Fund's investment process is rigorous and systematic. Lumos utilizes an investment process that is based on being proactive at each stage of the investment lifecycle: sourcing investments, deal negotiation and structuring, value enhancements, and realizations. From time to time, the Investment Team may utilize a third party industry consultant to assist in segment-specific or company-specific due diligence. Every transaction opportunity is vetted by the investment committee of Lumos throughout the deal sourcing, term sheet negotiations and final due diligence stages, as well as by a partner of Lumos who is the transaction sponsor on behalf of the Fund.

Lumos conducts thorough due diligence and valuation analysis, which typically includes analyses around markets, competitors, customers and product. Fund investments require unanimous vote of support from its investment committee to consummate a transaction. A member of the Investment Team will serve as a Director on the Board of the portfolio company and/or as an observer of the Board for each portfolio company.

Investing in a Fund is speculative and involves significant risks, including the risk of total loss of invested capital, and should be considered only by sophisticated investors able to meet drawdown obligations and assume the risks of loss and illiquidity inherent with an investment in the Fund. The following risks and conflicts, as well as the risks and conflicts described elsewhere in this Brochure, are not intended to be an exhaustive list of all the risks and conflicts associated with Lumos' business or an investment in a Fund, which are set forth in greater detail in the respective Governing Documents of the Funds. Before investing in a Fund, prospective investors should carefully review such Fund's Governing Documents, including, in the case of each Fund, the additional risks and conflicts set forth in the Governing Documents of such Fund. Further, the Firm's business and the investment strategies of the Funds may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks and conflicts depending upon the nature of the assets in which it invests and its ability to finance such assets on a short or long-term basis.

### **Risks Involved with an Investment in a Fund and Portfolio Investments**



## **Nature of Fund's Investments**

An investment in the Fund requires a long-term commitment, with no certainty of return. Although investments by the Fund may generate some current income, the return of capital and the realization of gains, if any, from an investment will generally occur only upon the partial or complete disposition of such 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 an investment is made. Generally, the Fund will acquire securities that cannot be sold except pursuant to a registration statement filed under the 1933 Act or in a private placement or other transaction exempt from registration under the 1933 Act.

Since the Fund may only make a limited number of investments, poor performance by a few investments could severely affect total returns to Limited Partners.

The General Partner expects the Fund to have book losses for the first few years of its operations, and believes that most private equity funds (whether or not they ultimately have good performance) with similar investment objectives would also expect book losses during the first few years of their operations. The General Partner's expectation of losses in the early years is based upon the following factors: (i) it often takes two or more years for a portfolio company to demonstrate successful execution of its business plan, although underperformance can become apparent in less time; (ii) valuation policies with respect to private investments are more conservative about recognizing unrealized appreciation than unrealized depreciation; and (iii) expenses for organization of the Fund and their investment activities tend to be incurred before appreciation of the investments has been recognized. As a result of the foregoing factors, the amount of capital a Limited Partner would receive if the Fund were liquidated soon after the closing date of the Fund may be less than such Limited Partner's capital contributions to the Fund.

## **Investments in Less Established Companies**

The Fund may invest in smaller, less established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. While such investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early or growth stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period-to-period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing products. Less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial, technical and other personnel. Less established companies also have shorter operating histories on which to judge future performance and may experience start-up or growth-related difficulties that are not faced by established companies. The Fund may make investments in portfolio companies which rely on rapidly changing industries. Therefore, product obsolescence and other similar risks may adversely impact the performance of such portfolio companies. In all such cases, the Fund will be subject to risks associated with the underlying business engaged in by portfolio companies.

## **Dependence on Key Personnel**

The success of the Fund depends in substantial part upon the skill and expertise of Lumos, which will be responsible for managing the Fund. In addition, as is the case with many other private equity firms, it may not be possible for Lumos to retain or recruit the investment professionals and other personnel it may need from time to time to successfully manage the Fund and its investments, particularly given the current competitive hiring environment in the private equity marketplace.

### **Risks Associated With Certain Types of Investments**

***Due Diligence.*** The due diligence process that Lumos undertakes in connection with Fund investments may not reveal all facts that may be relevant in connection with an investment. Before the Fund makes an investment, Lumos and its affiliates conduct due diligence deemed reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence, Lumos typically evaluates a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, legal advisors, accountants and investment banks are involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment with respect to an investment, Lumos relies on resources available to it and its affiliates, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, Lumos cannot be certain that the due diligence investigation that Lumos will carry out with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. Lumos also cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections Lumos or its affiliates used when evaluating that investment.

### **Illiquid and Long-Term Investments**

Although investments by the Fund may generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment generally may be sold at any time, it generally is expected that the sale of most investments will not occur for a number of years after their initial acquisition of an investment. It is unlikely that there will be a public market for most of the securities initially held by the Fund, and such securities may require a substantial length of time to liquidate. The Fund generally will not be able to sell these securities publicly unless their sale is registered under, or exempt from, applicable securities laws. In many cases, the Fund will be contractually prohibited from selling such securities even after their registration or may otherwise be restricted from disposing of such securities.

### **General Economic Conditions**

General economic conditions may affect the activities of the Fund. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment.

## **Conflicts of Interest**

***Effect of Carried Interest.*** The existence of a 20% carried interest to the General Partner may create an incentive for the Management Company, an affiliate of the General Partner, to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based compensation, although the capital commitment of the General Partner in the Fund should tend to reduce this incentive. In addition, Section 1061 of the Code generally requires that the Fund hold investments for a period of three years or more for the General Partner to receive long-term capital gain tax treatment with respect to any carried interest income. This tax provision may affect the General Partner's investment exit strategies and such strategies may not, at times, be aligned with the interests of the Limited Partners.

***Service Providers.*** Certain service providers (or their affiliates), including developers, property managers, administrators, lenders, brokers, attorneys, consultants and investment banking firms, to the Fund and its portfolio companies may also have relationships with, or have provided goods or services to other organizations to which the Principals have been affiliated. These services and relationships may influence the General Partner and the Management Company in deciding whether to select such a provider to perform services for the Fund and its portfolio companies.

***Other Activities of the Management Company.*** In addition to providing investment advice to the Fund, the Management Company intends to sponsor other investment funds in the future. The Fund, on the one hand, and, consistent with the terms of the Partnership Agreement, one or more of such other vehicles and portfolios, on the other hand, may have conflicting interests, and each will compete for the Management Company's limited personnel and financial resources. However, except as otherwise contemplated in the Partnership Agreement, none of the General Partner, the Management Company, the Principals, other investment professional employees of the Management Company or any of their respective affiliates shall close a private equity investment fund (including separately managed accounts) with investment objectives similar to those of the Fund until the earlier of (i) the expiration or termination of the Fund's commitment period and (ii) the date on which 70% of the aggregate capital commitments have been drawn down, have been reserved for investments that have been committed to by the Fund or have been reserved for follow-on investments or Fund Expenses.

***Lack of Separate Representation.*** Goodwin Procter LLP ("Goodwin") will act as legal counsel for the Fund, the General Partner and the Management Company in connection with the formation of the Fund, the Interests offered and the transactions contemplated hereby. No independent counsel has been obtained to represent Limited Partners of the Fund. Goodwin will not be representing Limited Partners of the Fund, representing any prospective investor nor rendering any legal advice to any prospective investor in connection with their investment in the Fund and the transactions contemplated in the Partnership Agreement. Accordingly, prospective investors are strongly urged to consult their own tax and legal advisors with respect to the tax and other legal aspects of their investment in the Fund.

***Side Letters.*** The General Partner (on behalf of the Fund) may from time to time enter into side letters with one or more Limited Partners that provide such Limited Partners with additional or different rights than such Limited Partners have pursuant to the Partnership Agreement. Examples of such rights may include, without limitation, special economic arrangements, access to additional information, more favorable liquidity terms and rights to co-investment opportunities. As a result, of such side letters, certain Limited Partners may receive additional benefits that other Limited Partners will not receive. The General Partner (on behalf of the Fund) will not be required to offer such additional or different rights or terms to any or all of the other Limited Partners. The General Partner (on behalf of the Fund) may enter into such side letters with any party as the General Partner may

determine in its sole discretion at any time. The other Limited Partners Limited Partners will have no recourse against the Fund, the General Partner, the Management Company or any of their respective affiliates in the event that certain Limited Partners Limited Partners receive additional or different rights or terms as a result of such side letters.

By subscribing for Interests in the Fund, each investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

***Conflicts with Portfolio Companies.*** Officers and employees of Lumos may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Lumos and such individual's duties as a director or officer of such portfolio company.

***Russia-Ukraine Conflict.*** There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of each Fund or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to each Fund. Such impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of each Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which each Fund intends to pursue, all of which could adversely affect each Fund's ability to fulfill its investment objectives.

#### **Item 9 - Disciplinary Information**

There is no disciplinary information to report for the Firm or for any persons associated with the Firm or the Clients.

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

The General Partners are affiliated entities of the Firm and certain of the Firm's employees may have a financial interest in these entities.

Neither the Firm nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor any of its affiliates are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

See also the conflicts of interest described in Item 8 and elsewhere in this Brochure for further information on potential conflicts of interest among Lumos, its affiliates and the Clients that may arise as a result of affiliations of Lumos or the General Partners.

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

The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser’s employees. The Code contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid any actual, potential or perceived conflicts of interest or abuse of an individual’s position of trust and responsibility. The Adviser prohibits personal trading on restricted securities; requires pre-clearance of an IPO, a new private placement, and other limited offerings; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations. Personal securities transactions by employees who manage Client accounts are required to be conducted in a manner that prioritizes the Client’s interests in Client eligible investments.

As part of its Code, the Adviser has established procedures reasonably designed to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Adviser has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, access persons of the Adviser are deemed to be in receipt of material, non-public information, in all instances where any access person of the Adviser has received material, non-public information and, therefore, such access person(s) may not trade on the basis of that information.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, the Adviser generally would be prohibited from communicating such information to Clients, and the Adviser will have no responsibility or liability for failing to disclose such information to Clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser personnel serving as directors of public companies and may restrict trading on behalf of Clients, including a Fund.

As a general matter, neither the Firm nor any of its related persons recommend that the Funds acquire or sell securities in which the Firm or any related person has a material financial interest. However, in situations where a transaction is pursued, the Firm will make such disclosures and seek such consents as may be required by applicable law.

While the Firm and its principals have investments in the Funds, as a matter of general practice, neither the Firm nor any of its related persons acquire or sell securities that are also recommended to the Funds.

In the ordinary course of business, the interests of Lumos and its affiliates may conflict with those of the Funds. Each Fund has established an advisory committee which has been tasked with evaluating and resolving certain issues involving conflicts of interest as they arise. Typically, all of a Fund's investors are bound by the determinations of the advisory committee, regardless of whether a limited partner is represented by a member of the advisory committee. The Governing Documents typically provide that to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to the Fund or any other Partner other than to act in good faith and within the limit of their authority. The advisory committee member will likely consider the interests of the limited partner it represents over the interests of the Limited Partners as a whole when voting or consenting to any matter submitted to the advisory committee. Members of the advisory committee could have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory committee for consideration or review. Members of the advisory committee are expected to have various business and other relationships with SDC, its affiliates and their respective employees, partners, members, shareholders, officers, directors and managers. These relationships could influence their decisions as members of the advisory committee. To the extent that a limited partner is not represented by a member of the advisory committee, such limited partner will have no influence over matters submitted to the advisory committee for review or approval.

A copy of the Code will be provided to any investor or prospective investor upon request to James Tieng, Adviser's Chief Compliance Officer, at (917) 847-5468 or james@lumoscapitalgroup.com.

## **Item 12 – Brokerage Practices**

Due to the nature of investments recommended to the Funds, the Firm does not expect to select or recommend broker-dealers for client transactions at this time. The Firm does not engage in soft dollar arrangements with broker-dealers at this time.

## **Item 13 - Review of Accounts**

Lumos' investment committee and Chief Compliance Officer supervises and monitors the investment activities of the Clients. The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities held by a Fund. The Adviser closely monitors companies in which the Funds invest, and the Adviser's Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives. As such, the Firm reviews Clients informally on an ongoing basis and formally no less than annually.

More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios or investments within them, including changes in financial markets and activity and trends in the political or economic environment.

Each Fund generally will provide to each of its Limited Partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner's tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

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

The Adviser and/or its affiliates may provide certain business or consulting services to a Fund's portfolio investments and may receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreements, this compensation may offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio investment), these fees may be in addition to Management Fees, as described in Item 5 "Fees and Compensation."

Lumos utilizes a placement agent. The placement fee, as described in the Firm's service agreement with the placement agent, can range from 1.5% and 2.0% on all capital commitments raised and accepted by the Fund's from new investors. Due to the agreement the Firm has with the placement agent, the placement agent has an incentive to recommend the Firm, resulting in a material conflict of interest. These arrangements are in compliance with the new marketing rule, Rule 206(4)-1 of the Advisers Act as of the effective date, November 4, 2022.

#### **Item 15 - Custody**

While the Firm or certain affiliates may be deemed to have custody of certain client funds and securities, the Firm itself does not maintain physical custody of such assets. As set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), all Client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule. Additionally, the Adviser delivers audited financial statements of the applicable Clients (such clients over which the Firm or an affiliate is deemed to have custody) to all investors in such Clients within 120 days of the client's fiscal year end. The financial statements are prepared in accordance with generally accepted accounting principles and are audited by an independent accountant.

#### **Item 16 - Investment Discretion**

The Adviser has discretionary authority to manage investments on behalf of each Fund. As a general policy, the Adviser does not allow Clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, the Adviser and/or its affiliates may enter into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this discretionary authority

pursuant to the terms of the Governing Documents and powers of attorney executed by the Investors in each Fund.

#### **Item 17 - Voting Client Securities**

The Adviser's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Client will be placed in a position of proxy voting authority. However, if a Client does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of the Clients.

#### **Item 18 - Financial Information**

The Adviser does not require the prepayment of Management Fees six months or more in advance, nor does it have any other events requiring disclosure under this item of the Brochure.