

Moirai Capital Management LLC

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Firm Brochure Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Moirai Capital Management LLC. If you have questions about the contents of this brochure, please contact us at (415) 981-1541. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Moirai Capital Management LLC is available on the Investment Adviser Public Disclosure website at <http://www.advisorinfo.sec.gov>. The searchable IARD/CRD number for Moirai Capital Management LLC is 109675.

Summary of Material Changes

As used in this brochure, the words “we”, “our” and “us” refer to Moirai Capital Management LLC, and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm.

We are a mid-sized advisor in the process of transitioning from SEC to State registration. This document includes disclosure of additional information specific to state registration requirements, e.g. business background and educational background that were previously not required by the SEC. The additional information is included in the body of this document.

Table of Contents

Summary of Material Changes	1
Advisory Business	3
Firm Description	
Services	
Principal Owners	3
Fees and Compensation	3
Additional Expenses	
Termination	
Performance-Based Fees	5
Types of Clients	5
Methods of Analysis, Investment Strategies and Risk of Loss	5
Methods of Analysis	
Investment Strategies	
Risk of Loss	
Disciplinary Information	6
Other Financial Industry Activities and Affiliations	7
Code of Ethics, Participation or Interest in Client	
Transactions and Personal Trading	7
Code of Ethics	
Participation or Interest in Client Transactions	
Personal Trading	
Brokerage Practices	8
Selecting Brokerage Firms	
Research and Other Benefits	
Soft Dollar Transactions	
Trading Errors	
Review of Accounts	9
Periodic Review	
Regular Reports	
Client Referrals and Other Compensation	9
Custody	10
Investment Discretions	10
Voting Client Services	10
Proxy Voting Policy and Procedures	
Financial Information	11
Additional Information	11
Privacy Policy	
Education and Business Standards	
Education and Business Background	

Advisory Business

Firm Description

Moirai Capital Management LLC (MCM) is a registered investment adviser based in San Francisco, California, founded in 2000 by Karen M. Schmid, CFA, Principal and Chief Compliance Officer. Moirai Capital Management is an independently owned and managed, fee-only financial advisory firm. Our business is built on long-lasting relationships. We work closely with our clients' accountants, attorneys, bankers and insurance advisors to meet the unique wealth management and investment needs of each client and their family.

Services

Moirai Capital Management LLC provides Investment Advisory and Wealth Management services to high-net-worth individuals, families and related entities, including family trusts and private foundations. MCM provides ongoing, discretionary and non-discretionary investment advice. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities to be purchased or sold without approval prior to each transaction. For non-discretionary accounts, we will obtain approval prior to executing any transactions. As of December 31, 2011, MCM managed \$45.7 million on a discretionary basis and \$19.2 million on a non-discretionary basis.

MCM's Investment Advisory services provide asset allocation advice, securities recommendations and the purchase and sale of specific securities. Accounts may include, but are not limited to, equity securities, fixed income, mutual funds, exchange traded funds, options, limited partnerships and alternative investments, such as hedge funds and private equity, consistent with a client's overall investment strategy, needs, objectives and risk tolerance. Client investments are maintained in separate accounts held at qualified custodians such as a bank or broker-dealer. MCM does not act as a custodian of client assets.

Moirai Capital Management LLC also provides advice and services that may not be specifically related to securities. Our Wealth Management services include: Tax Planning and Management, Retirement Services and Estate Planning, Wealth Transfer and Charitable Giving. Such advice and services are rendered only secondarily to our central function of providing investment advice. MCM charges no additional fees for these services.

Principal Owners

Karen M. Schmid is the principal and sole owner of Moirai Capital Management LLC.

Fees and Compensation

Moirai Capital Management LLC's fees are based on assets under management. Fees are assessed quarterly, in advance, using the fair market value of assets on the last trading day of

the previous calendar quarter. Fee rates decrease as assets under management increase. The annual fee is calculated as follows:

Incremental fee on assets up to \$1 million	1.00%
Incremental fee on assets of \$1 million to \$3 million	0.88%
Incremental fee on assets of \$3 million to \$15 million	0.80%
Incremental fee on assets of \$15 million to \$30 million	0.72%
Incremental fee on assets over \$30 million	0.56%

For example, a client with assets under management of \$3.5 million would incur a total annual fee of \$31,600, which is comprised of the incremental fee of 1% on the first \$1 million for \$10,000, a 0.88% fee on the next \$2 million for \$17,600, and a 0.80% fee on the remaining \$500,000 for \$4,000.

The above basic annual fee schedule covers Investment Advisory Services -- Asset Allocation, Investment Recommendations and Selection, Portfolio Trading, Proxy Voting, Portfolio Reviews – and Wealth Management Services – Tax Planning and Management, Retirement Services, Estate Planning, Wealth Transfer and Charitable Giving. Brokerage fees are not included. MCM fees may be negotiable based on the complexity of the client's financial picture, the range of services and the size of the account. Moirai Capital Management LLC may provide services not covered under the terms of the investment advisory contract. Fees for such services will be determined before starting additional work and mutually agreed upon by the parties.

Moirai Capital Management LLC's fees may be deducted directly from the client's account through the independent qualified custodian holding our client's funds and securities. Clients must provide the independent qualified custodian with written authorization permitting our fees to be paid directly from the account. The qualified custodian is not responsible for calculating or verifying MCM's fees. MCM provides clients with copies of our quarterly invoices. In addition, the qualified custodian sends monthly account statements directly to clients. These account statements will show all activity for client accounts, including advisory fees.

Moirai Capital Management LLC does not receive commissions in any form and does not accept or pay referral fees. MCM does not share in any fees charged by mutual funds, partnerships, exchange traded funds, brokerages or any other entity. MCM receives no benefits from custodians or broker-dealers based on client securities transactions (e.g. soft dollar benefits).

Additional Expenses

In addition to advisory fees, clients will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges are typically imposed by the broker-dealer or custodian through whom the transactions are executed. MCM does not share in any portion of the brokerage fees or transaction charges imposed by the broker-dealer or custodian.

Termination

All client agreements may be terminated by either party without penalty by written notice in accordance with notice provisions in the client agreement. Upon termination, fees paid in advance to Moirai Capital Management LLC shall be prorated based on the termination date, with the unearned fees refunded to the client within 30 days.

Performance-Based Fees

Moirai Capital Management LLC does not accept or charge performance fees.

Types of Clients

Moirai Capital Management LLC provides investment advice to high-net-worth individuals, families and related entities, including family trusts and private foundations. All client assets are held and managed in separate accounts. MCM generally requires family accounts to have a minimum of \$1 million in investable assets. This requirement may be waived by Moirai Capital Management LLC.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Moirai Capital Management LLC primarily uses fundamental security analysis to evaluate investment opportunities. Technical analysis is also used to analyze past market data such as price and volume trends.

Investment recommendations are based on diverse sources of information, including financial publications, third-party research, annual reports, company releases as well as economic and analyst forecasts. In addition, advisors attend analyst meetings and investment conferences sponsored by the CFA Institute, brokerage firms, companies and other third-parties.

Investment Strategies

Every client has unique personal and family circumstances, investment objectives, investment time horizons and willingness to assume risk. Our investment process begins with the establishment of a Strategic Asset Allocation to meet the individual needs of each client. From there, Moirai Capital Management LLC creates an investment plan utilizing a mix of stocks, bonds, real estate, alternative investments, etc., that meets individual client objectives. Long-term purchases (securities held more than 1 year) form core portfolio holdings to maximize after-tax, total returns. Short-term purchases (securities held less than 1 year) and trading (securities sold within 30 days) are also utilized where appropriate. Our over-arching goal is to preserve capital, maximize long-term returns and minimize risk.

Risk of Loss

Moirai Capital Management LLC's investment strategies do not involve unusual risk beyond domestic and international securities markets. However, clients should be aware that investing in securities involves risk, and they should be prepared to bear losses. Each security has its own unique set of risks associated with it. Even within the same type or category of investments, risks can vary. Some or all of the following apply to any investment:

- **Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed-income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process before they can generate a profit.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.
- **Financial Risk:** Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its debt obligations in good times and bad. During periods of financial stress, the inability to meet debt obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Moirai Capital Management LLC has been registered and providing investment advisory services since 2000. There have not been any legal or disciplinary actions against Moirai Capital Management LLC or its employees.

Other Financial Industry Activities and Affiliations

Moirai Capital Management LLC is an independently owned and operated investment advisory firm. Moirai Capital Management LLC has no other business activities or financial industry affiliations.

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

Code of Ethics

Moirai Capital Management LLC has adopted a comprehensive written code of ethics and policies aimed at maintaining high standards of professional conduct as well as conduct in compliance with federal securities law specified under the Investment Advisor Act. We have a fiduciary duty to clients and seek to ensure that the interests of all clients are placed before the interests of our firm and those of our employees. The Code of Ethics includes policies, prohibitions and principles for doing business for all employees. Each employee is provided with a copy of MCM's Code of Ethics at hiring and is required to comply with the Code. In addition, CFA® charter holders are also required to abide by the CFA Code of Ethics and Standards of Professional Conduct.

Participation or Interest in Client Transactions

Neither Moirai Capital Management LLC nor its employees have any financial interest in the securities recommended, purchased or sold in client accounts. However, MCM and its employees may purchase for themselves and their immediate family members securities or other investments which one or more clients own, have previously owned or will own in the future, providing the guidelines for personal securities trading are followed.

Personal Trading Practices

Moirai Capital Management LLC has in place procedures and guidelines to prevent potential conflicts of interest with clients in connection with our firm's and our employees' personal trading activities. The Code of Ethics prohibits employees from trading in personal accounts, company accounts (e.g., retirement plans) in which employees have a beneficial interest or accounts of their immediate family members when executing or preparing to execute trades in the same securities in client accounts. All employees are required to request permission in writing prior to executing personal trades. All employees are required to have broker-dealers/custodians send duplicate copies of trade confirmations and monthly statements for personal accounts directly to Moirai Capital Management LLC for review by the CCO. All employee personal accounts are reviewed on a quarterly basis to ensure compliance with MCM's Personal Trading Guidelines.

Moirai Capital Management LLC manages separate accounts for clients. Investment advice is tailored to each individual client. MCM may give advice and take action in client accounts that differs from one client to another based on client objectives, risk tolerance, time horizon, investment appropriateness, etc. Moirai Capital Management LLC is not obligated to recommend, buy or sell or to not recommend, buy or sell any security that MCM or its employees may buy or sell for their own accounts or for the accounts of any other client.

Brokerage Practices

Selecting Brokerage Firms

Moirai Capital Management LLC does not have the authority to determine the broker-dealer to be used without obtaining specific client consent. MCM is not affiliated with any bank, custodian or broker-dealer. Moirai Capital Management LLC may recommend specific broker-dealers to clients. Moirai Capital Management LLC seeks to obtain the best price and execution for client transactions, however, it may not be the lowest commission available. Other factors in broker-dealer selection include: the reputation and perceived financial operational and financial soundness of the broker-dealer, the broker-dealers' expertise in the securities to be purchased or sold, the services and account features offered by the broker-dealer and the client's preference of broker-dealer, if any. In general, Moirai Capital Management LLC has very low investment turnover. As a result of low trading volumes, we have limited ability to negotiate trading commissions. Our client accounts may be held in custody at: Charles Schwab, Morgan Stanley Smith Barney, Merrill Lynch or the broker-dealer of the clients' choice.

Research and Other Benefits

Moirai Capital Management LLC does not receive fees or commissions from any bank, custodian or broker-dealer. However, we have access to research prepared by custodians and broker-dealers as well as third-party research offered by firms. MCM may also benefit from other services, such as conferences and practice-management advice. Research products that we receive may include economic surveys, data and analysis, industry reports and company research reports. Research and other services are not in return for client recommendations or transactions. However, in some cases, the commissions charged by a particular custodian or broker-dealer may be greater than the amounts charged by a custodian or broker-dealer that did not offer research or services. These factors are considered in evaluating best execution and as part of our fiduciary duty to put our clients' interests first.

Research and other services provided by custodians and broker-dealers are used for investments across all client accounts and are not limited to the accounts that paid commissions to that custodian or broker-dealer.

Soft-Dollar Transactions

Moirai Capital Management LLC has no soft-dollar arrangements with any custodians or broker-dealers.

Trading Errors

In the event a trading error occurs, our policy is to restore the affected account to the position it should have been if the trading error had not occurred. This includes canceling the trade or reimbursing the account.

Review of Accounts

Periodic Review

Portfolios are monitored on a regular, on-going basis. Periodic reviews may be conducted based on the following:

- Company-specific events
- Market forecasts/events
- Changes in a client's risk/return objectives
- Life events, e.g., retirement
- Year-end tax planning

Portfolio reviews are used to evaluate investment performance and strategies in the context of specific client guidelines and investment objectives.

Regular Reports

Moirai Capital Management LLC provides regular client reports, usually quarterly but not less than annually. Interim reports may be issued based on individual client circumstances and market conditions. Reports are prepared by the investment advisor responsible for management of the client account. Reports may include a(n) (i) overview of the portfolio performance including market benchmark performance (ii) portfolio statement, including cost and market valuations (iii) detailed transaction data (iv) economic and market outlooks. Additional information is provided specific to the client's particular investment picture. For non-discretionary accounts, proposed changes are detailed in the report and are reviewed with the client prior to implementation. The reports are also used as a channel for communicating with clients and for integrating client feedback into the overall investment strategy.

In addition to Moirai Capital Management LLC reports, clients receive monthly statements and trade confirmations directly from their account custodian.

Client Referrals and Other Compensation

Moirai Capital Management LLC receives client referrals from current clients, estate planning attorneys and accountants. MCM does not pay for referrals and does not accept referral fees from other professionals when making a referral.

Custody

All client assets are held at qualified custodians. Custodians provide regular monthly statements and trade confirmations directly to clients. Clients are encouraged to compare Moirai Capital Management LLC's statements with the statements issued by the account custodian. If there are any questions regarding the account statement, or if clients did not receive account statements from the account custodian, please contact Moirai Capital Management LLC.

Moirai Capital Management LLC's advisory fees may be deducted directly from client accounts through the independent qualified custodian holding client funds and securities. Clients must provide the independent qualified custodian with written authorization permitting our fees to be paid directly from the account. MCM will provide clients with copies of our quarterly invoices. Our advisory fees will be reflected on the monthly account statements issued by the account custodian.

Investment Discretion

Moirai Capital Management LLC provides regular and ongoing discretionary as well as non-discretionary investment advisory services to clients. For all accounts, investment guidelines -- asset allocations, return requirements, risk tolerance, investment time horizons, investment restrictions -- are determined in conjunction with clients. All clients must sign a limited power of attorney included in the account custodian's account application giving trading authority to Moirai Capital Management LLC.

For clients granting Moirai Capital Management LLC Full Investment Discretion, we have the written authority to determine without specific client approval (1) securities to be bought or sold (2) amount of securities to be bought or sold and (3) the timing of the purchases and sales of securities.

For Non-Discretionary clients, Moirai Capital Management LLC provides clients with specific investment recommendations. MCM must receive either written or verbal approval from the client prior to implementing the investment recommendations. Once approval has been received, Moirai Capital Management LLC will execute the purchases and sales approved by the client.

Voting Client Securities

Proxy Voting Policy and Procedures

Moirai Capital Management LLC shall vote proxies related to securities held by any client in a manner solely in the interest of the client. MCM shall consider only those factors that relate to the client's investment, including how its vote will economically impact and affect the value of the client's investment.

Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors, management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect.

The Chief Compliance Officer (CCO) will be the person responsible for Moirai Capital Management LLC's decisions on proxy voting and shall vote in a prudent and diligent fashion. In the event of a conflict of interest between the firm or the CCO in relation to the company proxy in question, MCM will abstain from voting the proxy in question and notify the client. Moirai Capital Management LLC's history of votes on proxy issues is available to clients on request.

Financial Information

Moirai Capital Management LLC does not have any financial condition or impairment that would preclude the firm from meeting its contractual commitments to its clients.

Additional Information

Privacy Policy

Moirai Capital Management LLC provides its current clients with its Privacy Policy on an annual basis. MCM does not disclose any non-public, personal information about past, current or prospective clients to any third party without the specific consent of the client. Moirai Capital Management LLC maintains physical, electronic and procedural safeguards to protect client information.

In the course of business, clients provide Moirai Capital Management LLC with non-public information including, but not limited to: Contact Information (name, address, telephone numbers) Banking and Brokerage Information (account numbers, custodians), Employment Information (employer contact information, compensation information, retirement and incentive plans), Investment Information (investment holdings and transactions), Personal Information (dates of birth, net worth, family members) and Tax Information (tax returns, accountant contacts, social security numbers, charitable giving). This information is collected primarily from the clients, however, with client approval, some information is gathered from third parties. This information is used to manage client assets in a manner consistent with their investment objectives and constraints, and to conduct other business authorized by the client.

Access to non-public personal information is restricted to those employees who need to know the information in order to provide the client with our services. Employees are required by Moirai Capital Management LLC's Code of Ethics to refrain from disclosing non-public personal information about past, current and prospective clients.

Education and Business Standards

Moirai Capital Management LLC requires all professionals providing investment advice to pass the Uniformed Investment Advisor Law Examination (Series 65). All investment professionals are required to have a broad understanding of finance, economics and statistics acquired through academic study, and/or a combination of academic and business experience. Portfolio managers are expected to exhibit well-developed analytical and reasoning skills. Advanced academic degrees -- MBA and JD -- and professional certifications -- CFA, CFP, CPA -- are highly encouraged. Moirai Capital Management LLC supports its professional employees by providing time and financial resources for continuing professional education, particularly the CFA program.

Karen M. Schmid, CFA

Karen M. Schmid, CFA, is the sole provider of investment advice at Moirai Capital Management LLC. Age 51. Born 1960

Educational Background:

University of California at Berkeley, BA PEIS - International Economics, 1983
Anderson School of Management at UCLA, MBA - International Business, 1988
Charter Financial Analyst (CFA), 2000

Business Experience:

Moirai Capital Management LLC – Principal & CCO, 2000 to Present
J. Stewart Investments - Portfolio Manager & Analyst, 1991 to 2000
Chase Private Banking – Marketing Manager, 1989 to 1990
J. Stewart Investments – Junior Equity Analyst, 1984 to 1986

Disciplinary Information:

There have not been any legal or disciplinary actions against Karen M. Schmid, CFA.

Other Business Activities and Additional Compensation:

None.

Supervision:

Karen M. Schmid serves in multiple capacities at Moirai Capital Management LLC including: Investment Advisor, Chief Compliance Officer and Managing Member of the firm. Moirai Capital Management LLC recognizes that this may potentially create conflicts of interest; however, the firm employs policies and procedures to ensure client interests are protected first and foremost.