

Highbury Pacific Capital Corp.

500 Union Street, Suite 835
Seattle, WA 98101
(206) 920-4235

Form ADV, Part 2A Brochure

March 27, 2013

This brochure provides information about the qualifications and business practices of Highbury Pacific Capital Corp. If you have any questions about the contents of this brochure, please contact us at (206) 340-2800. 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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Highbury Pacific Capital Corp. or any person associated with Highbury Pacific Capital Corp. has achieved a certain level of skill or training.

Additional information about Highbury Pacific Capital Corp. is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised March 27, 2013

The purpose of this page is to inform you of any material changes since the previous version of this brochure. We review and update this brochure at least annually to make sure that it remains current. We have not made material changes to the brochure since the version dated February 6, 2012.

ITEM 3 - TABLE OF CONTENTS

ITEM 1 - COVER PAGE.....	1
ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3 - TABLE OF CONTENTS.....	3
ITEM 4 - ADVISORY BUSINESS.....	5
Description of Advisory Firm	5
Advisory Services Offered.....	5
Tailored Services and Client Imposed Restrictions.....	5
Assets Under Management	5
ITEM 5 - FEES AND COMPENSATION	6
Fee Schedule & Billing Method	6
Investment Management Services.....	6
Other Fees and Expenses.....	6
Termination	6
Investment Management Services.....	6
Other Compensation	6
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7 - TYPES OF CLIENTS	7
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
Methods of Analysis and Investment Strategies	7
Methods of Analysis for Selecting External Managers.....	7
Investment Strategies for Managing Portfolios	7
Investing Involves Risk.....	8
General Risks of Owning Securities.....	8
External Manager Strategies and Risks	8
ITEM 9 - DISCIPLINARY INFORMATION.....	8
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	8
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	8
Code of Ethics	8
Personal Trading Practices	9
ITEM 12 - BROKERAGE PRACTICES	9

ITEM 13 - REVIEW OF ACCOUNTS.....	9
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....	10
ITEM 15 - CUSTODY.....	10
ITEM 16 - INVESTMENT DISCRETION	10
ITEM 17 - VOTING CLIENT SECURITIES.....	10
Proxy Voting	10
Class Actions.....	10
ITEM 18 - FINANCIAL INFORMATION	10
Form ADV, Part 2B Brochure Supplement	i
ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE	ii
Professional Designations	ii
ITEM 3 - DISCIPLINARY INFORMATION.....	iii
ITEM 4 - OTHER BUSINESS ACTIVITIES.....	iii
ITEM 5 - ADDITIONAL COMPENSATION.....	iii
ITEM 6 - SUPERVISION	iii

ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Highbury Pacific Capital Corp. (“Highbury Pacific,” “we,” “our,” or “us”) is a privately owned corporation headquartered in Seattle, Washington. Gary Lee, President and principal owner, founded Highbury Pacific in December 2003.

Advisory Services Offered

Highbury Pacific provides continuous and regular investment supervisory services to a client. Gary Lee works with the client and has the ongoing responsibility to make recommendations based upon the objectives of the client.

Highbury Pacific is principally engaged in the following activities:

- Objective portfolio construction and management
- Portfolio construction – asset allocation, transition management, investment manager searches, implementation, and oversight
- Recommending certain unaffiliated third-party investment managers (“External Managers”) to manage a portion or all of the assets designated by the client in accordance with the terms and conditions of the Investment Policy Statement ; to include alternative investment strategies, private equity investments, and concentrated stock portfolio management strategies
- Ongoing monitoring and reviewing of each External Manager
- Portfolio management - ongoing supervision, monitoring, rebalancing
- Performance measurement and reporting

Tailored Services and Client Imposed Restrictions

Highbury Pacific manages client accounts based on the client’s investment strategy, as discussed below under **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**. Highbury Pacific applies the investment strategy for our client, based on the client’s individual circumstances and financial situation and any restrictions the client places on the portfolio, as documented in the client’s Investment Policy Statement. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations may not be suitable if the client does not provide us with accurate and complete information. It is the client’s responsibility to keep Highbury Pacific informed of any changes to their investment objectives or restrictions.

Assets Under Management

As of 12/31/2012, Highbury Pacific’s non-discretionary assets under management were \$181,587,516. Highbury Pacific has limited discretion in the management of assets. We discuss our discretionary authority below under **Item 16 - Investment Discretion**.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule & Billing Method

Investment Management Services

Highbury Pacific charges advisory fees for investment management services. Currently, Highbury Pacific's only client is a "qualified purchaser" as defined in the Investment Company Act of 1940. Highbury Pacific's advisory fees are outlined in the client's investment management agreement. Generally, the management fees are a combination of a fixed fee and a percentage of the assets under management. For the fixed portion of our fee we send an invoice at the beginning of each quarter, which is payable in advance. For the portion of our fee that is based on a percentage of assets under management we send an invoice at each month end, which is payable monthly in arrears.

Other Fees and Expenses

Highbury Pacific's fees do not include custodian fees or the fees charged by External Managers. Clients pay all brokerage commissions, stock transfer fees, and/or other similar charges incurred in connection with transactions in accounts, from the assets in the account. Foreign securities transactions may result in additional charges such as foreign settlement costs, account movement charges, and foreign exchange fees. These charges are in addition to the fees the client pays to Highbury Pacific.

The client is responsible for reasonable travel and related expenses associated with the performance of our duties. If we incur these costs we do so as agent for the client and we believe this to be customary in the industry. We will be reimbursement as outlined in the client's investment management agreement.

Termination

Investment Management Services

Either party may terminate the agreement upon thirty (30) days written notice to the other party. The client may terminate the agreement by writing to Highbury Pacific at our office. Upon termination of the agreement, any earned, unpaid advisory fees and unreimbursed expenses will be due and payable. Any prepaid advisory fees that are paid in advance will be refunded to the client. Highbury Pacific will send our client an invoice showing the advisory fees due for services rendered and not yet paid.

Other Compensation

Highbury Pacific does not accept compensation for the sale of securities or other investment products.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Highbury Pacific does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7 - TYPES OF CLIENTS

Highbury Pacific currently provides investment advisory services to a single investment holding company.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Highbury Pacific's objective is to have an Investment Policy Statement for each client that outlines the policies and procedures to follow on behalf of the client. We will allocate investment portfolio(s) among a number of asset classes which may include domestic equity, domestic fixed income, international equity, core fixed income, alternative investments, and cash. Highbury Pacific generally recommends third-party External Managers for the management of the client's portfolio.

Methods of Analysis for Selecting External Managers

Highbury Pacific recommends External Managers based on the client's investment objectives and financial situation, and the External Manager's management style. Highbury Pacific has a due diligence process that includes onsite due diligence meetings with many of the External Managers that we recommend. Part of our ongoing due diligence process may rely on the due diligence conducted by third-party consulting firms.

Investment Strategies for Managing Portfolios

Highbury Pacific uses Modern Portfolio Theory ("MPT") in the construction and management of client portfolios. Modern Portfolio Theory has a basic concept of using diversification in an effort to optimize the potential return of a portfolio for a given level of risk. MPT is a quantitatively based method that seeks to combine those asset classes with historical returns that are not perfectly positively correlated. When an individual asset is added to a portfolio of assets, the risk of an individual asset cannot be measured on a stand-alone basis because part of its risk may be diversified away by other assets in the portfolio. The risk it adds to the portfolio through its interaction with other portfolio assets becomes the primary measure of the individual asset's risk.

The External Managers Highbury Pacific recommends utilize their own investment process and methods of analysis. The manager's investment strategies and the securities they invest in may have different or additional risks than those described in this brochure. Clients can find more information about the strategies and related risks of the External Managers in **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** in each manager's Form ADV disclosure brochure.

Investing Involves Risk

General Risks of Owning Securities

Investing in securities involves risk of loss, and clients should be prepared to bear that risk. The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of the securities held in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

External Manager Strategies and Risks

The External Managers that Highbury Pacific recommends utilize their own investment process and methods of analysis. The strategies and securities these managers invest in may have different or additional risks than those described in this brochure. Clients can find more information about the strategies and related risks of the External Managers in **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** in each manager's Form ADV disclosure brochure.

ITEM 9 - DISCIPLINARY INFORMATION

Highbury Pacific and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Highbury Pacific does not have any disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Highbury Pacific does not offer any other services or have any affiliates in the financial industry.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Highbury Pacific believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Highbury Pacific's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Highbury Pacific's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Highbury Pacific's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable federal securities laws. Additionally, individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities may be subject to personal trading policies governed by the Code of Ethics (see below).

Highbury Pacific will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Personal Trading Practices

Highbury Pacific's portfolio management services involve recommending third-party managers External Manager for the management of client portfolios. Highbury Pacific does not recommend or transact in individual securities for clients. Generally, we do not have prior knowledge of the individual securities transactions that External Managers make in client portfolios. Highbury Pacific or our personnel may utilize the same External Managers in the management of personal or proprietary portfolios and may transact in the same securities that are conducted in client accounts. This presents a potential conflict of interest as we will have prior knowledge of the retention, termination, and rebalancing of client portfolios among External Managers. While we believe that we could not use this knowledge to benefit our personal or proprietary accounts, we have adopted policies to address this potential conflict that include the following:

1. Highbury Pacific prohibits trading in a manner that takes personal advantage of investment recommendations we make for clients.
2. Highbury Pacific maintains records of quarterly personal securities transactions and annual securities holdings for investment personnel.

ITEM 12 - BROKERAGE PRACTICES

Highbury Pacific does not effect transactions for clients and does not determine or recommend broker-dealers to clients. Clients should review **Item 12 – Brokerage Practices** of the Form ADV disclosure brochures of External Managers on their practices for selection and recommendation of brokers for client transactions.

ITEM 13 - REVIEW OF ACCOUNTS

Gary Lee, President, reviews client portfolios generally at least monthly. He reviews the information from the third-party custodian and External Managers. During his reviews, he considers, among other things, portfolio holdings and transactions for the period. He may also consider market and economic conditions as well as the fundamentals of a particular asset class or security.

In addition, he may conduct a special review of an account based on one or more of the following:

1. A change in the client's investment objectives, guidelines and/or financial situation;
2. Changes in diversification;
3. Tax considerations;
4. Material cash deposits or withdrawals; or
5. Changes affecting the External Managers.

The custodian provides our client with online access to written statements that include an accounting of all holdings and transactions in the account for the reporting period. In addition, we provide written reports detailing performance in client accounts on a quarterly basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Highbury Pacific does not receive compensation from a non-client for providing investment advice or advisory services to clients. Highbury Pacific does not pay any compensation for client referrals.

ITEM 15 - CUSTODY

Highbury Pacific does not take custody of client funds or securities in any way.

ITEM 16 - INVESTMENT DISCRETION

Highbury Pacific has limited discretionary authority over client accounts. We recommend External Managers for the management of client portfolios and it is up to the client to approve our recommendations. We have limited discretion over the asset allocation of client portfolios and may rebalance portfolios among External Managers within client-approved guidelines. The client grants us this limited authority in the investment management agreement. Highbury Pacific is responsible for portfolio monitoring and rebalancing of the client's portfolios.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

We typically do not vote proxies on behalf of our client, but rather the client will give that authority to the External Managers that we recommend to manage the various asset classes of a client's portfolio. Clients can contact either Highbury Pacific or the External Managers if they have questions about a particular solicitation. Highbury Pacific will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Class Actions

Highbury Pacific generally does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. Investment Managers may instruct or give advice to clients on whether or not to participate as a member of class action lawsuits. Typically, clients can request the Investment Managers to assist with gathering any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Highbury Pacific does not require the

prepayment of more than \$1,200 in fees per client, six months or more in advance, and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Form ADV, Part 2B Brochure Supplement

Gary Stephen Lee, CFA

Highbury Pacific Capital Corp.

500 Union Street, Suite 835
Seattle, WA 98101
(206) 920-4235

March 27, 2013

This brochure supplement provides information about Gary Stephen Lee that supplements the Highbury Pacific Capital Corp. brochure. You should have already received a copy of that brochure. Please contact (206) 340-2800 if you did not receive our brochure or if you have any questions about the contents of this supplement.

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Gary Stephen Lee, President and Chief Investment Officer, b. 1962

Education:

Mr. Lee earned a Bachelor's degree in Business Administration and a Master of Business Administration degree both from Washington State University.

Business Background:

Mr. Lee is President and Chief Investment Officer of Highbury Pacific Capital Corp. Previously he was Director, Treasury and Investments for MultiCare Health System, a health care provider. He managed the health system's investment portfolios totaling \$750+ million including corporate operating funds, foundation and endowment funds, self-insurance reserve funds, and defined benefit and defined contribution pension plans. Additionally he oversaw capital structure strategy, supervised daily cash and liquidity management, and provided analytical support throughout the organization.

Prior to MultiCare he worked for PACCAR INC., one of the world's largest trucking manufacturers based in Bellevue, Washington as Senior Financial Analyst. He was involved in the management of the company's \$600+ million investment portfolio, daily cash and treasury management, foreign exchange risk management and trading, mergers and acquisition analysis, and assisted in the administration of the company's defined benefit and defined contribution pension plans with combined assets in excess of \$400 million.

Before joining PACCAR, he worked for Varian Associates, Inc., a high tech manufacturing firm based in Palo Alto, California as Senior Treasury Analyst. He developed and implemented foreign exchange risk management programs, executed capital market transactions, was involved in treasury and cash management, and was an active participant mergers and acquisitions analysis.

Mr. Lee began his career as Corporate Finance Analyst with MacMillan Bloedel Limited, which at the time was Canada's largest integrated forest products company based in Vancouver, Canada. He analyzed short and long term financing alternatives, participated in daily cash management and investing, implemented short-term borrowing programs, managed foreign exchange risk management programs, traded securities and derivatives contracts, and oversaw pension fund assets in excess of \$300 million.

Professional Designations

Mr. Lee holds the following professional designation:

Chartered Financial Analyst

The Chartered Financial Analyst ("CFA") designation is sponsored by CFA Institute. To earn a CFA charter, candidates must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The three

proctored course exams correspond to three 250-hour self-study levels. Completing the Program takes most candidates between two and five years. More information regarding the CFA is available at <https://www.cfainstitute.org>.

ITEM 3 - DISCIPLINARY INFORMATION

Mr. Lee has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Mr. Lee's only business is providing investment advice through Highbury Pacific.

ITEM 5 - ADDITIONAL COMPENSATION

Mr. Lee's primary compensation comes from his regular salary and ownership of Highbury Pacific.

ITEM 6 - SUPERVISION

Mr. Lee is the President and Chief Investment Officer of Highbury Pacific and not supervised by any other individual.