

Item 1 – Cover Page

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

HCSF MANAGEMENT, LLC

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March 31, 2014

This brochure provides information about the qualifications and business practices of HCSF Management, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 263-7300 or ir@headlandscap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

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

Item 2 – Material Changes

This document has been prepared for our initial filing for registration with the SEC in March 2014.

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Item 4 – Advisory Business

HCSF Management, LLC (“Headlands Capital”) is a Delaware limited liability company organized in March, 2012. Prior to March, 2012, HCSF Management, LLC conducted business as Headlands Capital Advisors, LLC since 2006. Headlands Capital provides advisory and portfolio management services to its fund clients, Headlands Capital Secondary Fund, LP and Headlands Strategic Opportunities Fund, LP (individually, a “Fund” and collectively, the “Funds”). Throughout this brochure, “clients” and “funds” shall be used to refer to the pooled investment vehicles managed by Headlands Capital, including the Funds, and “investors” shall be used to refer to those vehicles’ underlying investors.

Team Biographies

David E. Park III, CFA, Managing Partner, co-founded Headlands Capital Advisors in 2006 and co-manages the Headlands Strategic Opportunities Fund and the Headlands Capital Secondary Fund. Prior to forming Headlands Capital, Mr. Park was Managing Partner at Paul Capital Partners where he led \$700 million in investments and oversaw the firm’s fundraising and governance activities. During his tenure at Paul Capital, Mr. Park helped grow the firm’s assets under management from ~\$65 million to ~\$4 billion and served as a senior member of the firm’s investment committee, overseeing all investment decisions. Prior to Paul Capital, Mr. Park was a Portfolio Manager for the Rockefeller family investment office, where he also held board seats of various portfolio companies. Mr. Park began his career as an investment banker at Credit Suisse. Mr. Park graduated from Rice University Magna Cum Laude, Phi Beta Kappa, and attended the London School of Economics and the Chinese University of Hong Kong. Mr. Park is active in YPO/WPO.

David W. Cost Jr., CFA, Partner, co-founded Headlands Capital Advisors in 2006 and co-manages the Headlands Strategic Opportunities Fund, LP. Mr. Cost is Chief Compliance Officer for Headlands Capital. Prior to founding Headlands Capital, Mr. Cost worked for Hoover Investment Management in San Francisco, where he was Associate Portfolio Manager for the \$1+ billion Forward Hoover Small Cap Fund. Previously, Mr. Cost worked as a Senior Analyst at Montgomery Asset Management supporting the Montgomery Small Cap Fund. Prior to Montgomery, Mr. Cost was Director of Research for Sand Hill Advisors, a wealth management firm in Menlo Park, CA. Mr. Cost began his career at Union Bank in Los Angeles as Assistant Vice President where he managed a portfolio of commercial banking clients. Mr. Cost holds a BA from Dartmouth College and a MBA from the Anderson School of Management at UCLA.

Brian Kim, Partner, joined Headlands Capital Advisors in 2010 and co-manages the Headlands Capital Secondary Fund. Prior to joining Headlands Capital, Mr. Kim was Managing Director at Zephyr Management, a \$1.5 billion investment firm. At Zephyr, Mr. Kim led the firm’s analysis and evaluation of secondary investment opportunities and served on the firm’s executive management team. Before joining Zephyr, Mr. Kim was a principal of CVC International, Citigroup’s multi-billion dollar global private equity team. At CVC Mr. Kim was responsible for the origination, structuring and exit of direct private equity investments globally in the telecommunications, packaging, services and technology sectors. While at CVC, Mr. Kim sat on the Board of Directors of ten portfolio companies. Mr. Kim holds a BS in Electrical Engineering, Summa Cum Laude, from the University of Michigan and a MBA in Finance from The Wharton School at the University of Pennsylvania.

Advisory Services

Headlands Capital provides discretionary advisory and portfolio management services to its Fund clients according to the investment objectives, strategies and guidelines of each client. These

guidelines may limit the concentration and geography of the clients' investments or limit Headlands Capital's investments in certain asset classes. Headlands Capital may further tailor its advisory services to the specific needs of a client as may be necessary, appropriate or negotiated from time to time.

Headlands Capital does not participate in any wrap fee programs.

As of December 31, 2013, Headlands Capital had discretionary client assets under management of approximately \$175 million.

Advisory Services Tailoring

Headlands Capital does not generally tailor its investment advice and portfolio management to the individual investment objectives and needs of investors in its funds. As such, the services offered by Headlands Capital should not be considered a complete investment program and may not be suitable for all investors.

Item 5 – Fees and Compensation

Management Fee

Headlands Capital generally receives the following fees. Headlands Capital, in its sole discretion, can waive or reduce the Management Fee and Performance Fee with respect to certain investors.

Headlands Capital Secondary Fund, LP – Headlands Capital will receive from the Headlands Capital Secondary Fund, LP a management fee quarterly in advance in the amount of 1.25% of committed capital annually during the investment period and 1.00% of NAV thereafter.

Headlands Strategic Opportunities Fund, LP - Headlands Capital will receive from the Headlands Strategic Opportunities Fund, LP a management fee quarterly in advance payable on the first day of each fiscal quarter equal to 1.5% per annum.

In the event that an advisory contract is terminated before the end of a management fee period, Headlands Capital will refund the overpayment of the management fee (computed on the basis of the number of days elapsed).

Carried Interest / Incentive Allocation

Headlands Capital Secondary Fund, LP – Headlands Capital Secondary Management, LLC, an affiliate of Headlands Capital, typically will receive from the Headlands Capital Secondary Fund, LP carried interest of 12.5% of profits, subject to a preferred return IRR of 7% with a catch up, but there may be variations in the rate for different investors.

Headlands Strategic Opportunities Fund, LP – Headlands Capital Management, LLC, an affiliate of Headlands Capital, typically will receive from the Headlands Strategic Opportunities Fund, LP an incentive allocation of 20% with a high watermark, but there may be variations in the rate for different investors.

Expenses

The Funds are each responsible for expenses related to their own operations, which may include:

- fees, costs and expenses of any custodians, attorneys, accountants, auditors, administrators or other professionals;
- investment-related expenses, including brokerage commissions, registration fees and expenses, custodial expenses, other bank service fees and other investment costs, fees and

expenses actually incurred in connection with actual investments, and legal, accounting, advisory, consulting or other professional expenses in connection therewith;

- interest on and fees and expenses arising out of all borrowings made by a fund, including, but not limited to, the arranging thereof;
- broken deal expenses;
- the costs and expenses of preparing and delivering reports to a fund's investors;
- the costs and expenses of holding meetings or conferences of a fund's investors;
- the costs of any litigation, liability or other insurance and indemnification or extraordinary expenses or liabilities relating to the affairs of a fund; and
- any taxes, fees or other governmental charges levied against a fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a fund

In addition, for the Headlands Capital Secondary Fund, each private investment fund in which the Fund acquires an interest will generally pay advisory fees, performance-based compensation and/or other fees and expenses to an investment adviser and/or general partner that is not affiliated with Headlands Capital. Compensation and expenses paid to Headlands Capital for investment advisory services to such Fund are separate and distinct from the advisory fees, performance-based compensation and expenses charged by the independent investment advisers or general partners of the private investment funds in which such Fund invests.

In the event that Headlands Capital uses a third party placement agent, the management fee to which Headlands Capital is entitled to is reduced by 100% of any placement agent fees, expenses or commissions paid by Headlands Capital's clients. To the extent that Headlands Capital's clients may incur brokerage fees or other transaction costs, these costs will be borne by the respective client. Please see Item 12 for further information regarding Headlands Capital's brokerage procedures.

As described more fully in Item 6, the general partners of the Funds, affiliates of Headlands Capital, are compensated with the carried interest or incentive allocation (as applicable), which is based on distributions in excess of investors' capital and costs or capital appreciation of investors' assets (as applicable). The investors are reimbursed for all or a portion of fees and expenses incurred and may receive a preferred return before such general partner receives carried interest or incentive allocation.

Headlands Capital does not accept compensation for the sale of securities or other investment products.

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

Headlands Capital charges an annual incentive allocation, carried interest or other performance fee (the "Performance Fee"). See "Carried Interest / Incentive Allocation" under "Item 5--Fees and Compensation" above.

The Performance Fee provisions creates an incentive for Headlands Capital to make client investments that are riskier or more speculative than would be the case in the absence of a Performance Fee based on performance of the clients' portfolios. Differences in client

compensation arrangements may create a conflict of interest. Notwithstanding any such potential conflicts, Headlands Capital will allocate investment opportunities to its clients in a manner that it believes to be fair and equitable.

Item 7 – Types of Clients

Headlands Capital's clients include pooled investment vehicles. Investors in the Funds include high-net worth individuals, family offices, endowments/foundations, and pension funds.

Headlands Capital requires that all investors in the Funds be "accredited investors."

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

Investment Program and Strategies

Headlands Capital's investment objective for each of its clients is summarized below:

Headlands Capital Secondary Fund, LP - The Headlands Capital Secondary Fund, LP seeks to provide investors with solutions designed to meet liquidity and financing needs related to their current private equity and hedge fund investments, either in the form of limited partnership interests in U.S. and international private equity funds and/or direct private equity investments.

Headlands Strategic Opportunities Fund, LP - The Headlands Strategic Opportunities Fund, LP seeks to build a concentrated, long-only portfolio of small cap, publicly-traded companies and to use a "constructive activist" approach to further grow shareholder value. Headlands Capital targets well-managed, cash flow-generating businesses, building proprietary knowledge derived from onsite meetings to develop a differentiated, long-term investment thesis on its portfolio companies. Underscoring its conviction investing and collaborative activist philosophy, the Headlands Strategic Opportunities Fund seeks to own approximately 10-12 portfolio companies at any time.

Market and Investment Risks

No Assurance of Investment Return.

Headlands Capital cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that expected returns of Headlands Capital's investment programs will be achieved. An investment in the Headlands Capital's investment program should only be considered by persons who can afford a loss of their entire investment. Headlands Capital's investments, by their nature, involve a high degree of financial risk. In making investments, the Headlands Capital may use highly speculative investment techniques, including highly-concentrated portfolios, junior securities positions, control positions, illiquid investments, leverage and workouts. In addition, some of the funds' assets may be invested in derivative instruments. Such investments may expose the funds' assets to the risks of material financial loss, which may in turn adversely affect the financial results of the clients' portfolios.

Highly Competitive Market for Investment Opportunities.

The activity of identifying, completing and successfully disposing of attractive public and private investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that Headlands Capital will be able to locate and complete investments that satisfy the investment program's rate of return objectives or realize their values, or that Headlands Capital will be able to invest fully its capital.

Risks Associated with Publicly Traded Investments.

For the Headlands Strategic Opportunities Fund, LP Headlands Capital expects to invest the majority of its assets in publicly traded securities. Headlands Capital's investments in securities of publicly traded companies may be sensitive to movements in the stock market and trends in the overall economy, including rises in interest rates. In addition, by investing in publicly traded securities Headlands Capital will be subject to federal and state securities laws which may, among other things, restrict the ability to sell a portfolio investment.

Limited Information.

In general, Headlands Capital's public investments will be made based on information available to the public at large. By comparison, privately negotiated transactions, the type of transactions pursued by most private equity and corporate buyout funds, are usually completed based upon information gathered through contact with and access to the counter-party's records, facilities and personnel. Therefore, this disparate amount of information may negatively affect Headlands Capital's certainty of achieving a particular outcome in connection with its investments.

Reliance on Portfolio Company Management Teams.

Each client's portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the Headlands Capital will be responsible for monitoring the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully.

Investments in Smaller Capitalization Companies.

For the Headlands Strategic Opportunities Fund, LP Headlands Capital, as well as entities in which Headlands Capital invests, intends to invest in the stocks of companies with smaller market capitalizations. While Headlands Capital believes that such investments often provide significant potential for appreciation, it recognizes that such investments may involve higher risks than investments in the stocks of larger companies. For example, prices of smaller capitalization stocks are often more volatile than prices of larger capitalization stocks. Further, the risk of bankruptcy or insolvency of many smaller companies (with the attendant loss to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity. To the extent there is any public market for the securities held by Headlands Capital, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Such companies also may have shorter operating histories on which to judge future performance.

Non-Control Investments.

Headlands Capital may hold a non-controlling interest in most of its portfolio companies and, therefore, may have a limited ability to protect its positions in such companies. In these cases, Headlands Capital will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom Headlands Capital is not affiliated and whose interests may conflict with the interests of Headlands Capital's investment program.

Illiquid and Long-Term Investments.

Headlands Capital may make investments in securities that have limited liquidity. Some investments held by the Funds may not be able to be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), or in accordance with Rule 144 or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile and the Funds may not be able to sell such investments when it desires, or, upon sale, to realize what it perceives to be their fair value.

Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements applicable to publicly traded securities. Even where a Fund holds publicly-traded securities, the Fund's position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity in the event that Headlands Capital wished to, or was required to, dispose of or reduce its position in such company by selling shares into the market. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to a Fund's investors. In the event that Headlands Capital acquires control positions in certain companies as discussed above or acquires an interest in certain companies where officers or employees of Headlands Capital serve as directors, the filing of various forms required by Section 16(b) of the Exchange Act as part of the process of selling shares owned by the clients may impact negatively the price of the shares that can be obtained by the clients. If Headlands Capital were forced to sell such an investment, it may not receive fair value therefor.

Leverage.

Certain of a Fund's portfolio companies may have capital structures with significant leverage. Consequently the leveraged capital structure of such portfolio companies will increase their exposure to adverse factors such as rising interest rates, downturns in the economy or deterioration in the business of a portfolio company or its industry, and may impair such companies' ability to meet their debt obligations. Additionally, the Funds may leverage their investment positions by borrowing. Failure to satisfy the terms of debt incurred by the Funds can have negative consequences, including forced liquidation of other investments of the Funds in order to satisfy the borrower's obligations. Leverage may also take the form of trading on margin, which will result in interest charges that could be substantial. The use of leverage will have the effect of increasing the volatility of the Funds' investments.

Risk of Limited Number of Investments.

Headlands Capital may participate in a limited number of investments and, as a consequence, the aggregate return of the funds may be substantially adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification of Headlands Capital clients' portfolio investments, either by geographic region, asset type or sector. In circumstances where Headlands Capital intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of Headlands Capital's having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Foreign Investments.

Headlands Capital's investment programs may invest outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency fluctuations and associated conversion costs; (ii) differences between the U.S. and foreign securities markets, including volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision; (iii) certain economic and political risks, including potential restrictions on foreign investment and repatriation of capital and the possibility of expropriation or confiscatory taxation; and (iv) the imposition of foreign withholding or other taxes with respect to such investment.

Expedited Transactions.

Investment analyses and decisions by Headlands Capital may be undertaken on an expedited basis in order for to take advantage of available investment opportunities. In such cases, the information available to Headlands Capital at the time of the investment decision may be limited, and Headlands Capital may not have access to the detailed information necessary for a thorough

evaluation of the investment opportunity. Further, the Headlands Capital may conduct their due diligence activities over a very brief period.

No Market for Limited Partnership Interests.

Limited partnership interests in the Funds have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. Except in the limited circumstances described herein, interests are not redeemable at the option of the holder and investors do not have the right to withdraw their capital. It is not contemplated that registration of the interests in the funds will ever be effected. There will be no public market for interests in the Funds and none is expected to develop. Each investor will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its interest for investment purposes and not with a view to resale or distribution. Consequently, investors must be prepared to bear the risk of an investment in the Funds for an extended period of time.

General Economic Conditions.

General economic conditions may affect the activities of Headlands Capital's investment program. Interest rates, currency rates, the price of securities, the participation of other investors in the financial markets, war, terrorism, natural disasters and catastrophic events may affect the value of investments made in the clients' portfolios. Headlands Capital's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Headlands Capital's business and operations and thereby could impact the clients' portfolios. Moreover, a sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Funds' profitability, impede the ability of the issuers in which the funds invest to perform under or refinance their existing obligations, and impair the Funds' ability to effectively exit its investments on favorable terms.

Possible Effect of Redemptions

For the Headlands Strategic Opportunities Fund, LP substantial redemptions of limited partnership interests could require Headlands Capital to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of limited partnership interests and achieve its investment objectives. Such factors could adversely affect the value of the limited partnership interests redeemed and of the limited partnership interests remaining outstanding.

Expenses Ultimately Borne by the Limited Partners

Fees and expenses borne by the Funds will directly or indirectly impact the net asset value of the limited partnership interests of each Fund.

Risks Relating to Headlands Capital

Dependence Upon Key Individuals

The success of a client's portfolio is expected to depend significantly upon the expertise, skill, and judgment of Mr. David Park, Mr. David Cost, and Mr. Brian Kim. If Mr. Park's, Mr. Cost's, or Mr. Kim's services were to become unavailable to the Funds for any extended period of time, the Funds' performance could be materially adversely affected.

Item 9 – Disciplinary Information

Headlands Capital has no information applicable to this Item. Headlands Capital has no legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Headlands Capital nor any of Headlands Capital's management persons are registered, or have an application pending to register as:

- a broker-dealer or registered representative of a broker-dealer; or
- a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Headlands Capital provides advisory and portfolio management services to its clients, including the Funds.

Headlands Capital does not recommend or select other investment advisers for its clients for compensation.

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

Headlands Capital holds its employees to a high standard of integrity and business practices. In serving its clients, Headlands Capital strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its employees and client securities transactions. Headlands Capital has a Code of Ethics to help govern personal trading activities. When persons covered by the Code of Ethics engage in personal securities transactions, they are expected to adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of clients must be paramount; (b) personal transactions must be conducted consistent with this Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by this Code have certain reporting obligations of their personal securities transactions.

Headlands Capital will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to Headlands Capital at the address on the cover page to this brochure.

It is Headlands Capital's policy not to engage in any principal transactions without disclosing to a client before the completion of such transaction the capacity in which Headlands Capital is acting and obtaining the consent of the client's advisory committee, which is comprised of representatives of the investors in the client, to such transaction. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. While Headlands Capital endeavors at all times to act in the best interests of its clients, investors should be aware that Headlands Capital's receipt of compensation from the clients creates a potential conflict of interest with respect to such transactions.

Item 12 – Brokerage Practices

Headlands Capital generally has authority and discretion to select broker-dealers and to establish brokerage accounts with such broker-dealers to execute investment transactions initiated by Headlands Capital and for the selection of the markets in which the transactions will be executed. In doing so, Headlands Capital (i) is not generally obligated to solicit competitive bids for each transaction; (ii) shall have no obligation to seek the lowest available commission cost to the Account; and (iii) may reject any request by a client for directed brokerage that Headlands Capital reasonably believes to be inconsistent with its duty to seek to achieve best execution.

In negotiating commission rates the Headlands Capital takes into account the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker (as described more fully below), even though a client may or may not in any particular instance be the direct or indirect beneficiary of the research or other services provided.

Soft Dollar Benefits

Headlands Capital generally has authority and discretion to direct brokerage to firms that furnish or pay for quotation and/or office equipment, recordkeeping, research, research-related services, and other services outside of the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, provided that Headlands Capital believes that such “soft dollar” arrangements are consistent with standards of fiduciary duty applicable to itself. While Headlands Capital has the authority to utilize such soft dollar arrangements, it does not currently do so.

In selecting broker-dealers, Headlands Capital generally considers the amount and nature of research, execution and other services provided by brokers as well as the extent to which such services are relied on, and attempts to allocate a portion of the brokerage business of its clients’ investments, even though an account may or may not in any particular instance be the direct or indirect beneficiary of the services provided. Headlands Capital may derive substantial direct or indirect benefit from these soft dollar services, particularly to the extent Headlands Capital may in the future use soft dollars to pay for expenses that it would otherwise be required to pay. Therefore, Headlands Capital may have an incentive to select a broker-dealer based on its interest in receiving the research or other products and services, rather than on clients’ interest in receiving the most favorable execution.

Headlands Capital is not required to allocate soft dollar benefits pro rata or on any other equitable basis among the accounts it manages. Headlands Capital is not required to allocate either a stated dollar or stated percentage of its brokerage business to any broker for any minimum time period, and will review such relationships from time to time.

Headlands Capital maintains an account at JP Morgan, its prime broker, through which Headlands Capital may execute trades, borrow securities and maintain custody of its securities. Additionally, Headlands Capital may execute trades with Conifer Securities and BTIG.

Headlands Capital reserves the right, in its sole discretion, to change the brokerage and custodial arrangements described above without further notice to limited partners.

Item 13 – Review of Accounts

Typically, all accounts are managed and reviewed on an ongoing basis to ensure appropriate exposure and risk levels based on market conditions. Asset allocation, cash management, market prospects and individual issue prospects are all considered. Particular attention is given to

changes in company earnings, industry, and company outlook, market outlook and price level. Mr. David E. Park III (Managing Partner), Mr. David W. Cost Jr. (Partner and Chief Compliance Officer), and Mr. Brian Kim (Partner) are responsible for reviewing the investment activities of the Funds to ensure that its investments activities are consistent with the investment thesis outlined in the Funds' offering documents.

Item 14 – Client Referrals and Other Compensation

Headlands Capital does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Headlands Capital's clients.

Headlands Capital may compensate certain third party marketers with a portion of the management and/or performance fee, pursuant to a written agreement, for investor referrals to the funds. All such referral arrangements will be fully disclosed to prospective investors at the time of solicitation.

Item 15 – Custody

Headlands Capital has custody of client funds because its affiliates act as the general partner to its clients.

The custodian of the Funds is a "qualified custodian" as defined in Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). When investors contribute capital to a Fund, the capital will be held with a "qualified custodian" until the investment is made, and account statements will be sent to the funds by such qualified custodian directly for any periods when cash is custodied by the funds. Securities purchased by a Fund will be held with a qualified custodian if required by the Advisers Act.

For the Headlands Strategic Opportunities Fund, LP Headlands Capital obtains custodial, clearing, settlement and related services on behalf of such Fund through what is known as a "prime brokerage" arrangement. Under that arrangement, a single brokerage firm (the "Prime Broker") maintains custody of each client's assets (either directly or through its clearing brokerage firm). The Prime Broker is a "qualified custodian" and maintains custody of such Fund's funds and securities in a separate account for such Fund.

At the end of each fiscal year, each of Headlands Capital's Funds has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each investor in a Fund as soon as practicable after the end of each fiscal year. Unaudited monthly performance reports also will be provided to each investor in a Headlands Capital Fund.

Item 16 – Investment Discretion

As the investment manager for the funds, Headlands Capital has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the Funds' accounts;
- amount of securities to be bought or sold for the Funds' accounts;
- broker or dealer to be used for a purchase or sale of securities for the Funds' accounts;
- and

- commission rates to be paid to a broker or dealer for the Funds' securities transactions. Each limited partner authorizes such discretion in the limited partnership agreement.

Item 17 – Voting Client Securities

Headlands Capital has adopted policies and procedures that address generally the guidelines it expects to follow in the exercise of its voting authority over proxies it receives on behalf of clients. Headlands Capital will vote client proxies in the best interest of its clients. Headlands Capital will consider a number of factors to determine whether exercising the clients' voting rights as to its securities is in the relevant clients' best interest, such as whether the securities are being held for a short or long period of time.

When voting a proxy, Headlands Capital will generally follow its voting guidelines. Headlands Capital attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between Headlands Capital and a client, Headlands Capital will seek to resolve the conflict and vote the proxies in a manner that is in the relevant clients' collective best interests. Headlands Capital will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by submitting a written request to Headlands Capital at the address on the cover page of this brochure.

Item 18 – Financial Information

Headlands Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Headlands Capital has not been the subject of a bankruptcy petition. Headlands Capital does not require or solicit payment of \$1200 or more six months or more in advance.

Item 19 – Requirements for State-Registered Advisers

Headlands Capital is not registered with any state. Therefore, Headlands Capital has no information applicable to this item.