

FORM ADV Part 2A Brochure



MADRONA GLOBAL
CAPITAL MANAGEMENT

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This brochure provides information about the qualifications and business practices of Madrona Global Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 505.221.5165. 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 Madrona Global Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

2. MATERIAL CHANGES

There have been material changes since the last filing of Madrona Global Capital Management, LLC form ADV Part 2A which was on November 26, 2013.

Madrona Global Capital Management, LLC has made an update to its standard investment management services fee schedule. (See Section 5, "Fees and Compensation")

Madrona Global Capital Management, LLC and Hanseatic Management Services, Inc., an investment adviser registered with the SEC, are related entities pursuant to their common ownership and control, defined primarily by the dual employment of the portfolio team, the administration of the portfolios, direct interlock, and the co-located principal place of business within the Albuquerque, NM office. (See Section 10, "Other Financial Industry Activities and Affiliates")

Magnus Lejdstrom has been appointed Chief Compliance Officer

Madrona Global continue to maintain an office in Connecticut, however the principal place of business is in New Mexico.

3. TABLE OF CONTENTS

FORM ADV Part 2A – BROCHURE

1. COVER PAGE	1
2. MATERIAL CHANGES.....	2
3. TABLE OF CONTENTS	3
4. ADVISORY BUSINESS.....	4
5. FEES AND COMPENSATION	4
6. PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT	6
7. TYPES OF CLIENTS	6
8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS	6
9. DISCIPLINARY INFORMATION	7
10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	7
11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	8
12. BROKERAGE PRACTICES	9
13. REVIEW OF ACCOUNTS	10
14. CLIENT REFERRALS AND OTHER COMPENSATION	10
15. CUSTODY.....	10
16. INVESTMENT DISCRETION	11
17. VOTING CLIENT SECURITIES	11
18. FINANCIAL INFORMATION	11

4. ADVISORY BUSINESS

Madrona Global Capital Management, LLC (“Madrona Global”) was founded in August 2013 and is owned by the management team and employees. Its principal owners are Robert Howard and Magnus Lejdstrom. Madrona Global has a related Investment Adviser, Hanseatic Management Services, Inc. (“HMSI”), with common ownership and shared employees. Madrona Global offers both discretionary and non-discretionary investment advisory services through actively managed equity portfolios using its proprietary mathematics-based investment model, analyses and process. See Item 8 for more detail.

Madrona Global currently offers the following equity products: US Large Cap, US Multi Cap, US Mid Cap and International.

Madrona Global tailors its services to the individual needs of its clients. It manages each portfolio in accordance with investment guidelines set by the client. Clients may impose restrictions on investing in certain securities or types of securities.

Currently Madrona Global does not participate in wrap fee programs.

Madrona Global has as of January 1, 2014 assets under management of \$228 million. \$162 million were in discretionary accounts and \$66 million were in non-discretionary accounts. The assets under management reflects the combined assets under management of Madrona Global and HMSI, its related entity.

5. FEES AND COMPENSATION

Madrona Global’s standard investment management fee schedule is listed in the table below. The actual fee schedule may be negotiated on a client-by-client basis and may differ from that below.

Product	Fee (BP’s)
Large Cap	75
Multi Cap	125
Mid Cap	125
International	125

The management fee is payable quarterly, in arrears, at the beginning of each calendar quarter based on the market value of the assets in the account on the last day of each of the preceding three calendar months. Asset value means the total account net asset value as computed by the custodian including cash, accrued interest, taxes and accrued income from pending cash dividends, rights and warrants (“Custodian NAV”).

Example:

Period	Custodian NAV	Annual Rate	Calculation	Monthly Fee
Month 1	\$1,000,000.00	1.25%	$\$1,000,000.00 \times .0125/12$	\$1,041.67
Month 2	\$1,100,000.00	1.25%	$\$1,100,000.00 \times .0125/12$	\$1,145.83
Month 3	\$900,000.00	1.25%	$\$900,000.00 \times .0125/12$	\$937.50
Quarterly Total			Sum	\$3,125.00

Total Quarterly Management Fee Assessed = \$3,125.00

If a client contributes funds to or withdraws funds from the account on a date other than the first day of a month, the account is charged a prorated portion of the management fee for that calendar month with respect to such contribution or withdrawal based on the number of days the funds were in the account.

Example: Withdrawal of \$500,000 on 12/22/13

Period	Custodian NAV	Annual Rate	Calculation	Monthly Fee
10/31/13	\$1,000,000.00	1.25%	$\$1,000,000.00 \times .0125/12$	\$1,041.67
11/30/13	\$1,100,000.00	1.25%	$\$1,100,000.00 \times .0125/12$	\$1,145.83
12/21/13	\$1,200,000.00	1.25%	$\$1,200,000.00 \times .0125/12 \times 21/31$	\$846.77**
12/31/13	\$700,000.00	1.25%	$\$700,000.00 \times .0125/12 \times 10/31$	\$235.22**
			Sum of pro-rated monthly fee.	\$1,081.99**
Quarterly Total			Sum	\$3,269.49

**Pro-rated monthly amount.

Total Quarterly Management Fee Assessed = \$3,269.49

Payment of the management fee is made by one of three ways:

- i. The client gives prior authorization to the custodian that (a) authorizes Madrona Global to debit the account for the management fee up to a client-specified maximum amount, based on the account size and management fee to be charged, and (b) authorizes the custodian to pay Madrona Global directly no sooner than five (5) business days after the account statement is available at the custodian. The client is responsible for understanding and verifying the amount debited through the client's monthly custodian statement.
- ii. Madrona Global sends a quarterly invoice by email to the client and the custodian, and the client (a) authorizes Madrona Global to instruct the custodian to debit the account for the management fee and (b) authorizes the custodian to pay Madrona Global directly no sooner than five (5) business days after the account statement is available at the custodian. The client is responsible for understanding and verifying the amount debited through the client's monthly custodian statement.
- iii. Madrona Global sends a quarterly invoice by email to the client and the client pays the fee directly to Madrona Global. The client authorizes payment as per item 1 or 2 above if payment has not been received by Madrona Global within fifteen (15) days of the later of the transmission of the invoice and the availability of the account statement.

Madrona Global's clients may also pay custodial fees, administrative expenses, and brokerage and other transaction costs. (See Section 12, "Brokerage Practices") Madrona Global does not accept payment of fees in advance. Neither Madrona Global nor its employees accept any compensation for the sale of securities or other investment products.

6. PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Madrona Global currently charges no performance-based fees on any of its accounts.

7. TYPES OF CLIENTS

Madrona Global provides investment advisory services primarily to private clients, family offices, and institutional clients, including but not limited to pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other business entities, private funds, sovereign funds, and investment companies. Some of these client relationships are established through a Manager/Sub-Advisor contract, where Madrona Global is the Sub-Advisor.

Madrona Global's minimum account size is \$500,000; however, on a client-by-client basis, Madrona Global may accept a smaller account size.

Regardless of client type or minimum account size, each Madrona Global client must execute a written contract that governs Madrona Global's investment advisory relationship with the client.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Madrona Global and its related Investment Adviser, HMSI, uses a proprietary mathematical model based on work started in the early 1980's by Madrona Global's Chief Investment Officer, Harry E. Meihaus. All Madrona Global portfolios are managed with the same investment process. The investment process is disciplined, unbiased, and consistent. The universe of equities will be different based on the product, but the strategy is the same: to actively construct diversified portfolios that adapt to market environments based on risk and reward.

The proprietary mathematical stock screening analytics identify stocks with positive price trends using mathematically-derived, risk/return probabilities with price as the only input. The portfolio team actively constructs equity portfolios that dynamically adapt to various indices or benchmarks. The portfolios adapt to market environments as stocks are bought and sold through the buy and sell disciplines. Position sizing algorithms are used to adjust holdings to manage the overall portfolio risk/return balance. Madrona Global's Defensive Index separately indicates more favorable sectors for investment as the market cycles through risk-on, risk-off periods and bear markets. Madrona Global's ability to outperform

the market *has historically* been generated in two ways: (i) buying stocks with a strong positive trend and selling stocks before they enter a secular downtrend or trading range (i.e. stock selection); and (ii) actively managing the selection and weight of stocks in the portfolio to increase exposure to the right stocks and sectors while adapting to the overall market's offensive / defensive posture. The consistency of past performance has also been derived from an investment process that limits cognitive and other biases that may influence the decisions of many investors.

Investing in securities involves risk of loss that clients should be prepared to bear. Neither Madrona Global nor its related entity make any representation that its investment program will be successful. Its investment program is not intended as a complete investment program. Madrona Global's past performance is not a guarantee of future results.

Madrona Global's investment strategies are designed for investors with long term investment goals, as they involve substantial risks. The risks of Madrona Global's investment model include, but are not limited to, Madrona Global's skill in constructing and implementing the model, equity market risk, investments in thinly traded securities, market capitalization risk, and risks associated with investing in non-U.S. and emerging markets. In addition, highly rotational market environments, like the ones that have existed from 2000 through October of 2013, which may continue, can increase portfolio turnover. Madrona Global expects turnover to be somewhere between 150% and 250% per year during these rotational market periods. During periods of more sustained and low volatility leadership, portfolio turnover will be lower. Madrona Global's sell disciplines are the single factor determining portfolio turnover. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

9. DISCIPLINARY INFORMATION

Neither Madrona Global, nor its management personnel, nor its related entity are subject to any legal or disciplinary event that is material to any current or potential client's evaluation of Madrona Global's advisory business or to the integrity of Madrona Global's management.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Madrona Global's ADV Part 1, Schedule D, Section 7.A., Madrona Global and HMSI, an investment adviser registered with the SEC, are related entities pursuant to their common ownership and control, defined primarily by the dual employment of the portfolio team, the administration of the portfolios, direct interlock, and the co-located principal place of business within the Albuquerque, NM office.

Madrona Global and HMSI maintain a common investment philosophy and process, trading process and compliance infrastructure. Madrona Global and HMSI dually employ the following portfolio team members: Harry “Ed” Meihaus, Brian R. Stangel, and Russell T. Sanderson.

The calculation of assets under management encompasses data from both Madrona Global and HMSI. (See Section 4, “Advisory Business”)

Conflicts may arise between the interests of Madrona Global clients and HMSI clients (collectively the “investment advisers”). The Madrona Global board monitors events to identify any material conflicts and, if such conflicts arise, determine what action, if any, should be taken. While the investment objectives and policies may be similar across products managed by the investment advisers, the product's investment results may be higher or lower, and may not be comparable, across products. In all possible circumstances, the same products are managed as identically as possible, including but not limited to, average price fills across the same equities within the products. When average price fills are not possible, brokers are rotated to ensure equal treatment of accounts. (See Section 12, “Brokerage Practices”)

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

Madrona Global has adopted a code of ethics, contained within its Corporate Policies & Procedures Manual, which includes policies addressing business ethics, personal trading by employees, insider trading, ongoing ethics training, anti-money laundering, and anti-fraud, professionalism in the workplace, and privacy and control of client information. A copy of the Madrona Global’s Corporate Policies & Procedures Manual is available upon request.

Madrona Global’s personal trading policies apply to Madrona Global, its employees and their immediate family members, and to Madrona Global’s related entity, its employees and their immediate family members (“Access Persons”). Personal trading policies cover any purchases and sales of equities, options on equities, or options on any other publicly traded commodity or security, commodity futures contract, derivative contract and fixed income securities, not just to securities and other assets held in client portfolios managed by Madrona Global.

In the event any of Madrona Global’s Access Persons has a material financial interest in a security that is in a client portfolio managed by Madrona Global, Madrona Global’s board will determine on a case by case basis what action should be taken to avoid any conflict that might disadvantage a Madrona Global client.

It is Madrona Global's policy to conditionally allow personal trading accounts by Access Persons. If an Access Person wishes to trade in individual equities, the personal trading account must be held at an Madrona Global approved custodian and must be contained within one of Madrona Global's or its related entity's GIPS-defined composites to be traded alongside client accounts. As described in Section 12, "Brokerage Practices", Madrona Global aggregates orders for execution on a pre-allocated pro rata basis to help ensure fair and equitable treatment across various accounts.

If an Access Person wishes to trade in futures, commodities, corporate bonds/treasuries, or exchange-traded funds (ETFs), trading is allowed without pre-approval in all except for the SPY ETF. Trading in the SPY ETF will require pre-approval by Madrona Global's chief compliance officer or chief executive officer or its related entity's chief executive officer/chief compliance officer or president.

Madrona Global's Access Persons who engage in personal trading must provide Madrona Global with an initial holding report upon becoming an Access Person, monthly statements of their trading, and an annual holding report.

Adhering to the policies incorporated into Madrona Global's Corporate Policies & Procedures Manual is a condition of employment at Madrona Global. If a Madrona Global employee is found to be in breach of Madrona Global's policies, then Madrona Global's Chief Compliance Officer or Board of Directors will take action ranging from a verbal warning to dismissal, depending on the circumstances of the breach.

12. BROKERAGE PRACTICES

In selecting and suggesting broker-dealers ("brokers") for client transactions, Madrona Global considers (i) the reputation of the broker in the financial community; (ii) past business experience, if any, with the broker; (iii) the range and quality of ancillary services provided by the broker; (iv) the broker's ability to execute in a timely, efficient, and error-free manner; (v) the expertise of the broker's registered representatives; (vi) the broker's ability to execute transactions in all of the markets in which Madrona Global offers products; and (vii) any client-specific requirements, e.g., a ceiling on brokerage costs. Madrona Global determines the reasonableness of the broker's commissions based on (i) Madrona Global's assessment of the broker's performance in the context of the foregoing seven factors and (ii) whether the broker commissions are reasonable in comparison to the charges of comparable brokers.

Madrona Global accepts no "soft dollar" benefits (i.e., research or other products or services from brokers who execute client transactions) nor does it direct brokerage as a reward for client referrals.

Clients directing brokerage to a particular broker may incur higher commission and other transaction costs than clients who authorize Madrona Global to select the broker. For example, if a Madrona Global client directs Madrona Global to place its trades with a certain broker, Madrona Global might be limited in its ability to negotiate commissions or volume discounts.

In the interest of best execution and to help ensure a fair and equitable basis for allocating trades among various clients, where possible and permitted by the client, Madrona Global aggregates orders for execution. Trades within an order are typically pre-allocated pro rata among client accounts in accordance with client guidelines; if the order is not completely filled, executed trades are allocated pro rata in accordance with the pre-allocations; and, if more than one trade is executed, the trades are booked to client accounts at an average price and commission rate.

13. REVIEW OF ACCOUNTS

All securities positions held by Madrona Global's clients are reviewed daily by Madrona Global's portfolio team. Harry "Ed" Meihaus, Chief Investment Officer, is the lead portfolio team member for Madrona Global's Large Cap products and its related entity's Large Cap and Large Cap Custom products. Brian R. Stangel is the co-lead portfolio team member for Madrona Global's Large Cap, Multi Cap, Mid Cap and International products and its related entity's All Cap and Growth & Income products. Russell T. Sanderson is the co-lead portfolio team member for Madrona Global's Large Cap, Multi Cap, Mid Cap and International products and its related entity's All Cap and Growth & Income products. All portfolios are screened daily with the buy and sell disciplines, reviewed for relative and absolute performance, and individual position sizes are assessed by the team leaders at a minimum. At least two team members must review each final decision prior to execution within any portfolio. David Crosby is a portfolio team member of all Madrona Global's products.

At a minimum, each client receives an overview of performance and a basic attribution for the period relative to the specified benchmark and an outlook of the upcoming quarter.

14. CLIENT REFERRALS AND OTHER COMPENSATION

Madrona Global receives no compensation from non-clients for any activity related to its advisory business. Madrona Global does not pay third parties for client referrals.

15. CUSTODY

Madrona Global does not take physical custody or act as a custodian of client funds or securities. Clients receive account statements directly from their qualified custodians. Madrona Global encourages clients to carefully review all custodian statements and to compare those statements with any statements received from Madrona Global.

Madrona Global may be deemed to have custody of client assets if it has the authority to withdraw its fees from a client's account. Madrona Global follows the SEC's rules regarding this 'deemed' custody.

16. INVESTMENT DISCRETION

Madrona Global generally has discretionary authority to determine, without obtaining client consent, the securities to be bought or sold, the amount of such securities, the broker to be used, and the commission to be paid. This authority is given in the client contract. Any exception to this authority is dictated on a case by case basis per the client contract. In such cases the client may be put at a disadvantage in terms of securities selection and execution of trades.

17. VOTING CLIENT SECURITIES

Proxies are voted by Madrona Global only if required under the client contract. If required under the client contract, Madrona Global votes according to the client's proxy voting guidelines. Absent client guidelines, Madrona Global votes to maximize long-term shareholder value, to maintain shareholder control, and to generally approve routine corporate matters. Madrona Global evaluates some issues on a case-by-case basis, e.g., stock option and bonus plans, corporate combinations and divestments, shareholder proposals, and social/political proposals. Conflicts may arise with respect to voting, especially in cases where a client is the issuer of the securities being voted. The board will monitor events to identify any material conflicts and, if such conflicts arise, determine what action, if any, should be taken. Madrona Global utilizes ProxyEdge as its proxy service. A copy of Madrona Global's proxy voting policies, including its current standing instructions with ProxyEdge, is available upon request. Specific proxy votes cast by Madrona Global are available upon request to clients who require Madrona Global to vote their securities.

18. FINANCIAL INFORMATION

Madrona Global does not require or solicit prepayment of fees. Neither Madrona Global nor its related entity has been the subject of a bankruptcy petition at any time.