

**Item 1 – Cover Page**

# **Buckhead Capital Management, LLC**

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**Atlanta, GA 30339**

**404 720-8800**

**[www.buckheadcapital.com](http://www.buckheadcapital.com)**

**March 31, 2015**

This Brochure provides information about the qualifications and business practices of Buckhead Capital Management, LLC (“Buckhead Capital Management,” “Buckhead Capital,” the “Firm,” or the “Company”). If you have any questions about the contents of this Brochure, please contact Tara Hart, Business Manager, at 404 720-8800.

Buckhead Capital Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information to enable you to determine whether to hire or retain an investment adviser.

Additional information about Buckhead Capital Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Buckhead Capital Management is 110707.

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.

## **Item 2 – Material Changes**

The Material Changes section of this Brochure will be updated annually when material changes occur.

### **Material Changes**

The date of our last annual updating amendment was March 31, 2014.

Please contact Tara Hart, Business Manager, at 404-720-8800 to obtain a free copy of our Brochure.

Additional information about Buckhead Capital Management is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

Tracing its beginnings to 1994, Buckhead Capital Management is an investment management firm primarily focusing on investing in equity and fixed income securities.

Buckhead Capital is located in Atlanta, Georgia, and is privately owned. Messrs. Walter DuPre, Matthew Reams and John Swanson collectively own 100% of the Firm.

As of December 31, 2014, Buckhead Capital managed on a discretionary and non-discretionary basis approximately \$574,201,388 and \$164,492,288, respectively.

Buckhead Capital Management offers investment supervisory services and manages investment advisory accounts for individuals, trusts, estates, charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, and registered investment advisers.

In addition, Buckhead Capital provides investment advisory services to participants of wrap fee programs sponsored by other firms. See Item 5 for important information with respect to wrap fee programs.

## **Item 5 – Fees and Compensation**

### **Management Fee**

Buckhead Capital generally receives a management fee (“Management Fee”) as described below. The Management Fee is paid in arrears.

The specific manner in which fees are charged by and paid to Buckhead Capital is established in the client’s written agreement with the Firm.

### **Separately Managed Accounts**

#### *All Cap Accounts*

.85% of market value of the portfolio.

The minimum account size is \$1,000,000.

### *Fixed Income Accounts*

.50% of market value on the first \$10 million, .25% of the market value on the remaining portfolio.

The minimum account size is \$3,000,000.

### *High Net Worth Accounts*

1.00% of market value on the first \$2.5 million, .75% of market value on the next \$2.5 million, .65% of market value on the next \$5 million, .50% of the market value on the next \$10 million, and .25% of the market value of the remaining portfolio.

The minimum account size is \$1,000,000.

### *Small Cap Accounts*

1.00% of market value of the portfolio.

The minimum account size is \$1,000,000.

### *Small-Mid (SMID) Cap Accounts*

.85% of market value of the portfolio.

The minimum account size is \$1,000,000.

### *Value Equity, Diversified Value, and Balanced Accounts*

1.00% of market value on the first \$5 million, .50% of market value on the next \$15 million, .25% of the market value on the remaining assets.

The minimum account size is \$1,000,000.

Separately managed account clients may elect to be billed directly for fees or to authorize the Firm to directly debit fees from client accounts. *If separately managed account clients elect to authorize the Firm to directly debit fees from their accounts, clients should review the billing invoice to verify the fee calculation and the corresponding debit as reflected in their account statement provided by their custodian.*

Management fees and minimum account size are negotiable.

## **Wrap Fee Programs**

Wrap fee program sponsors select investment advisers to provide their clients with investment advisory services. In addition, wrap fee sponsors provide additional services to their clients including, but not limited to, assistance with the selection of one or more investment advisers, asset allocation advice, execution of portfolio transactions (free of commissions), custodial services, trade confirmation and periodic reporting, continuing evaluation of investment performance, and consultation on the clients' investment objectives and suitability.

Clients in wrap fee programs rely on their wrap fee sponsor to select investment advisers for the sponsor's program. This selection process is administered by the wrap sponsor. Buckhead Capital relies on the suitability testing performed by wrap fee sponsors.

When Buckhead Capital serves as a wrap adviser, it generally contracts with the wrap sponsor for its services rather than the clients of the wrap sponsor. The wrap sponsor is responsible to provide additional services to the client as mentioned above. The management fees payable to Buckhead Capital are generally lower than those paid by non-wrap fee clients to Buckhead Capital because some of the services that Buckhead Capital would otherwise provide are provided instead by the wrap fee program sponsor.

Buckhead Capital's fee for being an investment adviser in a sponsor's wrap fee program is included in the wrap fee that the client pays the sponsor. The fees paid to Buckhead Capital generally range from 0.25% to 0.75% per annum of the market value of the client's account.

Please refer to the Company's Form ADV Part 1 for a list of wrap fee programs in which Buckhead Capital participates.

## **Model Portfolio Programs**

Buckhead Capital may provide model portfolios for clients and receive a fee from those clients based on the amount of assets invested in the model portfolio. Generally, these clients are third-party investment advisers ("TPIA") that may utilize the model portfolios in connection with the advisory services that the TPIA provides to their respective clients. These TPIAs make their own independent decision whether and when to effect transactions for their clients with respect to the Company's model portfolio recommendations. Buckhead Capital does not have any relationship with or knowledge of the TPIAs' clients. Buckhead Capital does not currently advise any model portfolio programs.

Model portfolio program fees generally range from 0.30% to 0.75% per annum of the

market value of the TPTAs' clients' account.

### **Private Fund**

Buckhead Capital Management does not currently advise any private funds.

### **Incentive Fees**

See Item 6 below for information with respect to incentive fees.

### **Fees Charged to Employees**

Due to the special relationship with its employees, Buckhead Capital may charge a reduced or no fee for providing investment management services to them.

### **Termination**

Generally, investment management services provided by Buckhead Capital are terminable by either party upon prior written notice as specified in the Investment Management Agreement. In the case of any termination, the management fee will be determined on a pro rata basis through the date of termination.

Wrap fee and model portfolio program clients should refer to the respective program's sponsors' agreement for termination charges. If a wrap fee sponsor pays management fees in advance, upon termination a refund of the pro rata basis of fees will be refunded by contacting Tara Hart, Business Manager.

### **Other Fees and Expenses**

Buckhead Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the respective client. Clients may incur certain charges imposed by custodians, brokers, and other third-parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients may invest in other collective investment vehicles managed by third-party investment managers which also charge management fees, which are disclosed in the collective investment vehicles' prospectus or offering memorandum.

Item 12 further describes the factors that Buckhead Capital considers in selecting or recommending broker-dealers for clients' transactions and determining the reasonableness of their compensation (e.g., commission rates and mark-ups and mark-downs).

## **Item 6 – Performance-Based Fees**

Buckhead Capital Management does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Buckhead Capital's clients shall generally include individuals, trusts, estates, charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, and registered investment advisors.

Generally, the Firm requires a minimum account size of \$1 million, subject to negotiation.

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

Buckhead Capital Management invests principally in traditional equity securities (common and preferred stocks and equivalents) and fixed income securities. Buckhead Capital's principal equity portfolio strategies focus on large cap equities, mid cap equities, and small cap equities. BCM's principal fixed income strategy focuses on high quality government, agency, corporate, mortgage, and municipal debt securities.

Buckhead Capital offers both taxable and tax-free fixed income strategies.

In addition, the Company also may invest in mutual funds, exchange traded funds, and publicly traded master limited partnerships.

### **Investment Methodology and Strategy**

#### *Research Process*

With respect to equity strategies, Buckhead Capital performs bottom-up, fundamentally focused analysis which seeks to identify securities that trade at attractive valuation multiples, have solid underlying business fundamentals, and have "catalysts" that will likely drive both the company's business and its price. Buckhead Capital attempts to identify key business drivers through an assessment of the company's business strategy and industry



competitiveness. In assessing a company, Buckhead Capital reviews both company provided information and available research publications.

With respect to fixed income strategies, Buckhead Capital's research process is an active total return methodology which seeks to provide attractive returns while controlling risk over economic and interest rate cycles. Investment decisions are based upon an analysis of historical relationships which are used to quantify risk and potential return.

The level of inflation-adjusted long-term yields, compared to historical yield levels, provides perspective on the current attractiveness of longer maturity assets. This perspective is enhanced by an analysis of the shape and level of the short-term yield curve.

### *Portfolio Construction*

With respect to equity strategies, portfolio construction is bottom-up, with certain minimum and maximum sector constraints. Within a particular investment strategy, Buckhead Capital invests across various industry sectors and issuer capitalization with the largest weighting focused on our "highest conviction" names. The Company conducts regular reviews of portfolios to ensure allocation of capital to the most attractive perceived investments. Generally, an investment is sold when the investment thesis is proven wrong, when the security is considered to be fully valued, or when a more attractive investment is identified.

With respect to fixed income strategies, portfolio construction considers a full range of investment-grade securities, with yield advantage to Treasuries being the primary determinant of portfolio weighting for corporate and mortgage securities. Maturities are diversified across the yield curve, with the final structure leaning in the direction indicated by Federal Reserve policy. Portfolios are further diversified with respect to the appropriate asset classes, and risk is addressed through the use of high quality securities that have adequate liquidity.

With respect to high net worth accounts, Buckhead Capital may provide Strategic Portfolio Management, which provides, within established strategic allocation guidelines, for the tactical allocation of assets between equity and fixed income securities based on the relative valuation of those asset classes.

## *Risk Management*

Buckhead Capital regularly reviews clients' portfolios to ensure that the portfolio composition is appropriate to the investment strategy and clients' objectives. The Company conducts a review of securities to determine the portfolios' risk/return attractiveness and will take appropriate action as it deems necessary.

### Risk of Loss

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

There are special risks inherent in investments in domestic small-cap equities not applicable to domestic large-cap companies. These risks include reduced trading liquidity (which can increase the volatility of the stock) and more limited product lines, markets, and financial resources.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Buckhead Capital Management or the integrity of the Firm's management.

Buckhead Capital does not have any disciplinary information applicable to this Item to disclose.

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

### *Charles Schwab*

Buckhead Capital may recommend that direct separately managed account clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides Buckhead Capital Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers

at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab makes available to Buckhead Capital Management products and services that benefit Buckhead Capital Management but may not benefit its clients' accounts. Some of these products and services assist Buckhead Capital Management in managing and administering clients' accounts. These products and services include, but are not limited to: software and other technology that provide access to client account data (such as trade confirmations and account statements); trade execution (and allocation of aggregated trade orders for multiple client accounts); pricing information and other market data; payment of Buckhead Capital Management's fees from its clients' accounts custodied at Schwab; and assistance with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Buckhead Capital Management's accounts, including accounts not maintained at Schwab Institutional, a subsidiary of Schwab.

Schwab Institutional also makes available to Buckhead Capital other services intended to help the Company manage and further develop its business enterprise. These services may include consulting, publications, and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to the Company by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Buckhead Capital.

Buckhead Capital Management's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Buckhead Capital Management of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest.

Schwab generally does not charge separately for Buckhead Capital's clients' accounts maintained at Schwab but is compensated by commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

From time-to-time, Buckhead Capital may make an error in submitting a trade order on a client's behalf with Schwab. When this occurs, a correcting trade may be placed with Schwab as custodian of the client account. If a trade error occurs, it will be corrected and no loss will occur to the client account. If the loss is less than \$100, Schwab will absorb the loss. If the loss is over \$100, Buckhead Capital absorbs the loss. If the trade error results in a gain, Schwab will keep the gain and, if it exceeds \$100, will donate the gain to charity.

## **Item 11 – Code of Ethics**

Buckhead Capital has adopted a Code of Ethics ("Code") which is designed to detect and address potential conflicts of interest and prevent acts prohibited by law. The Code states that clients' interests should always be placed ahead of any personal interest. In addition, Buckhead Capital's Insider Trading Policy forbids any supervised person of Buckhead Capital from trading, either personally or on behalf of others, on material non-public information. It also forbids communicating material non-public information to others in violation of the law (i.e., insider trading) or in violation of a fiduciary duty.

The Firm's employees are permitted to buy and sell securities for their own account. From time to time, the securities purchased or sold by those individuals may include securities that Buckhead Capital has bought or sold for its clients. The Firm has instituted the following procedures, among others, to minimize the risk of conflicts of interest.

Among others, the Code requires supervised persons to:

- Submit to the Chief Compliance Officer ("CCO") or his designee an initial and an annual report listing their securities holdings;
- Pre-clear personal securities transactions, other than those exempted by the Code, by the CCO or his designee, or by other appropriate Officers of the Company;

- Provide duplicate copies of account statements to the CCO or his designee for review (unless a specific exemption applies);
- Not invest in IPOs without the prior approval from the CCO or his designee;
- Obtain approval from the CCO or his designee prior to investing in Private Placements (limited offerings);
- Not effect short sales of securities that are held in client accounts;
- Comply with the federal securities laws, certifying that they have read and understand the Code and reporting any violations of the Code to the CCO;
- Not trade either in their personal accounts or on behalf of Clients on the basis of material non-public information; and
- Not use their position for inappropriate personal benefit.

Employees who violate the Code and the Company's Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines, and termination of employment.

The Company will provide a copy of its Code of Ethics to any client or prospective client, upon request made to Tara Hart, Business Manager.

From time-to-time, various potential and actual conflicts of interest may arise from the investment advisory activities of the Company, its employees and affiliates. The Company, its employees and affiliates may give advice to, or take action for, clients that may differ from, conflict with, or be adverse to advice given or action taken for other clients. These activities may adversely affect the prices and availability of other securities held by or potentially considered for one or more clients.

See Item 12 for information with respect to Principal and Agency Cross Transactions.

## **Item 12 – Brokerage Practices**

Generally, Buckhead Capital selects broker-dealers through which to effect transactions on the basis of best execution. "Best execution" does not mean effecting transactions at the lowest possible commission rate, transaction costs, and price, but includes a number of factors mentioned herein.

Buckhead Capital seeks to effect transactions at a price, commission and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. The Company may also consider various other factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction, the size of the transaction, broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market, security conditions (e.g., liquidity, volatility), and the value of research it provides.

Buckhead Capital has discretion to determine without obtaining prior consent from any client the:

- broker or dealer to execute transactions; and
- commission rates or commission equivalents charged for effecting transactions.

#### *Broker Selection*

In selecting broker-dealers (including electronic communications networks) to effect clients' transactions, Buckhead Capital seeks to obtain best execution under the circumstances, taking into consideration, among others, the broker-dealers':

- ability to effect prompt and reliable executions at favorable prices;
- operational efficiency with which transactions are effected taking into account the size of order and difficulty of execution;
- financial strength;
- integrity and stability;
- quality, comprehensiveness and frequency of available research services considered to be of value; and
- Competitiveness of commission rates and dealer spreads in comparison with other broker-dealers.

Clients' transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions (and mark-ups or mark-downs) than would be the case for more routine services.

### *Cross-Trades*

From time-to-time, the Company may effect a purchase of a security for one or more clients at the same time as a sale of the same security for another client. Such transactions may be effected to rebalance the positions held in clients' portfolios in order to achieve uniform results among clients, to take into account clients' cash flows or to comply with investment guidelines and restrictions. Such transactions, at the Company's discretion, will generally be effected at the volume-weighted-average-price ("VWAP"), the closing price for the security or some other fair and reasonable basis. Buckhead Capital does not commonly cross trades.

By "crossing" transactions internally between two client accounts, Buckhead Capital may save the accounts brokerage commissions or mark-up/mark-downs that are charged in transactions effected on the open market. In addition, the accounts usually save on market impact costs (adverse movements in market prices which directly results from the accounts' transactions and which are borne by the accounts). Other related costs such as custody expenses and transfer taxes may also be saved. Accordingly, Buckhead Capital may cross trade client accounts if it believes such transactions are in the best interests of clients on both sides of the transactions and if the Firm believes it will achieve best execution.

Notwithstanding the foregoing, since cross trades involving employee benefit plan assets may be prohibited transactions under the Employee Retirement Income Securities Act ("ERISA"), Buckhead Capital does not engage in cross trades for client accounts subject to ERISA. As a result, the Company may not be able to achieve executions of the price, cost, nature, quality, or speed for ERISA accounts (whose trades must be effected on the open market) that it might, on occasion, be able to achieve for non-ERISA clients that participate in cross trades. Similarly, ERISA accounts may be impacted more by price changes caused by orders effected on the open market than non-ERISA accounts. Accordingly, transactions for ERISA accounts may result in less favorable net prices on the purchase and sale of securities than might be the case for non-ERISA accounts for whom Buckhead Capital engages in cross trades.

### *Research and Brokerage Services*

Buckhead Capital obtains proprietary and third-party research services or products with clients' commissions ("Soft Dollars").

As is customary in the industry, broker-dealers may provide their own proprietary research to investment advisers, including Buckhead Capital. Generally, commissions paid to these broker-dealers to execute transactions include the cost to receive their proprietary research and other brokerage services.

While the Company uses proprietary and third-party research to benefit all clients in its investment decision-making process, clients whose Soft Dollars are used to pay for proprietary and third-party research and brokerage services may not necessarily receive the direct benefit of this research or brokerage services while clients who do not pay for these services may receive the benefit. Buckhead Capital believes that receipt of proprietary and third-party research and brokerage services assists the Company in its investment decision-making. This benefits all clients without regard to whether the client who provides the Soft Dollars receives the direct benefit (as that client may receive the benefit when another client's Soft Dollars are used to pay for these services). Buckhead Capital is not required to weigh any of these factors equally. Research services received are in addition to and not in lieu of services required to be performed by Buckhead Capital and the Company's management fees are not reduced as a consequence of the receipt of such supplemental research information.

Buckhead Capital may from-time-to-time but not always, effect transactions through brokers with an "execution only" commission rate. When effecting transactions that are not "execution only," commission rates may be higher than otherwise available as clients may be deemed to be paying for research services provided by the broker.

Research services obtained with Soft Dollars may include written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts, statistics and pricing or appraisal services, and access to research analysts and company executives, along with hardware, software, data bases and other technical and telecommunication services, lines, and equipment utilized in the investment management process.

Buckhead Capital reviews and approves, among others, broker-dealers through whom transactions are executed, the research products and services these broker-dealers may provide to the Company, and the quality of the trading activity transacted by these brokers.

#### *Aggregation and Allocation*

Buckhead Capital, at its discretion, may aggregate orders in the same security for clients transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the clients in the order.

The Company believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by



effecting client transactions separately. The Company believes that aggregating orders contributes to seeking best execution.

Buckhead Capital Management's objective in allocating block order trades is to ensure that, based on the needs and financial objectives of its various clients (including any restrictions or limitations applicable to particular clients), it is distributing investment opportunities among client accounts in a manner that is fair and equitable to all.

#### *Wrap Fee Programs*

Buckhead Capital Management is a manager in "wrap fee" programs as well as providing investment advice to separately managed accounts. As a manager in wrap fee programs, the Company usually effects client transactions through the clients' sponsoring firm. Accordingly such wrap fee program industry practices may create trade execution issues for clients in wrap fee programs because these transactions are effected through the clients' sponsor.

As customary in the industry, transactions in wrap fee accounts are generally effected without commission, because the wrap fee covers the wrap fee sponsor, advisers and brokerage services. Because Buckhead Capital Management may be required to execute transactions only with the broker-dealer selected by the client or by the wrap sponsor, the Firm may not be able to place transactions with other broker-dealers that may be able to execute transactions at more favorable prices and may not be able to obtain discounted commissions for the client by combining his or her transactions with those of other clients trading as a block; therefore, these clients may not necessarily obtain commission rates as favorable as those obtained by other Buckhead Capital Management clients. Therefore, performance of accounts in wrap programs may differ from that of the non-wrap sponsored accounts.

Clients should conduct their own due diligence to assure themselves that the broker-dealer offering the wrap program is able to provide competitive execution and commission rates on transactions compared to that which Buckhead Capital may have obtained otherwise. Clients should also consider that, depending upon the level of the fee charged by the wrap sponsor or the broker-dealer, the amount of portfolio activity in the clients' account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee that they pay may exceed the aggregate cost of such services if they were to be provided separately.

Conflicts of interest may exist between Buckhead Capital's duty to obtain best execution and its receipt of future accounts from the client's broker-dealer or wrap-fee sponsor, by virtue of Buckhead Capital Management's participation in the wrap program.

### *Payment for Client Referrals*

From time-to-time, broker-dealers and their employees may refer potential clients to Buckhead Capital. It is the Company's policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, Buckhead Capital, at its discretion, may effect transactions through these broker-dealers provided they are able to provide best execution.

See Item 14 below for additional information with respect to payment for client referrals.

### *Directed Brokerage*

Buckhead Capital Management, at its discretion, may accept a client's direction to utilize a specific broker or dealer to execute transactions in the client's account in recognition of custodial or other services provided to the client by the broker or dealer. A client who chooses to designate use of a particular broker or dealer should consider whether such designation may result in certain costs or disadvantages to the client, because the client may pay higher commissions on some transactions than might otherwise be attainable by the Company.

Buckhead Capital generally will utilize "step-outs" for clients that direct brokerage in order for them to receive the same execution as clients that do not direct brokerage. In a step-out trade, an investment advisor directs trades to a broker-dealer that executes the transaction, while a second broker-dealer (i.e., the directed broker) clears and settles the transaction at the client's negotiated commission structure.

By directing Buckhead Capital Management to use a specific broker or dealer, clients who are subject to ERISA confirm and agree in their contracts with the Company that they have the authority to make such direction; that there are no provisions in any client or plan document which are inconsistent with the direction; that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants, and their beneficiaries; that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable; that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay; and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

### *Rotation Methodology*

The participation of Buckhead Capital Management in wrap fee programs and the willingness to accept brokerage direction from a client mean that it is possible that the

firm's orders to buy and sell a particular security could be competing in the market as the same trade is executed across undirected, directed and wrap accounts. In order to address these trade execution issues, Buckhead Capital generally uses a rotational approach to avoid client accounts competing in the marketplace. Transactions are generally effected as follows:

- The opportunity to trade first will generally rotate between separately managed accounts as a group and wrap fee accounts as a group.
- Within the separately managed accounts, non-directed separately managed accounts and directed separately managed accounts will rotate as a group.
- Within the wrap fee accounts, each sponsoring wrap fee sponsor with the same investment strategy will rotate.

Buckhead Capital believes that such rotation methodology is fair and equitable to clients.

#### *Trade Errors*

From time-to-time, Buckhead Capital may cause a trade error to occur. For example, trade errors may happen as a result of effecting the incorrect amount of securities (e.g., 10,000 shares were purchased when the intention was to purchase 1,000 shares), transactions were effected in the wrong client account, the order was to buy shares but shares were sold, and for other reasons. When trade errors occur, the Company's policy is to correct the error promptly. In the event that the Company caused the error, the Company will make the client whole for the loss unless the equities of the situation may cause an unjust enrichment for the client. If the client caused the error (e.g., the client advised the Company that a certain amount of funds would be wired to the account on a certain day but a substantially smaller amount was wired or the funds were not wired and the Company acted upon the client's advice), the client will bear the error. If a third-party caused the error (e.g., the Company properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), Buckhead Capital will take steps to collect from the third-party the amount of the error; however, there is no guarantee that the Company will be successful recuperating such funds in which case the client will bear the loss.

#### *Principal and Agency Cross-Transactions*

"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. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account.

An “agency cross transaction” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Buckhead Capital is neither registered as, nor is affiliated with, a broker-dealer.

## **Item 13 – Review of Accounts**

### *Account Reviews*

Portfolio managers regularly review clients’ portfolios based on, among other factors, the account’s investment objectives, guidelines, market conditions, and changes to the clients’ financial condition (as communicated by the client). In addition, portfolio managers may periodically meet with clients to discuss their portfolios.

### *Client Reports*

Buckhead Capital provides clients with monthly and/or quarterly account reports and/or statements that include portfolio holdings, transactions and performance information.

See Item 15 for additional information with respect to custody of assets.

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

### *Client Referrals*

From time-to-time, Buckhead Capital may enter into arrangements with unaffiliated third-parties (“solicitors”) whereby they are compensated for referring clients. Generally, payments to such solicitors will be based on a percentage of the management fee and/or a percentage of the incentive fee earned by the Company with respect to such client.

### *Conflicts of Interest*

Referred clients should be aware of inherent conflicts of interest between Buckhead Capital and them with respect to the solicitation arrangement described above. Solicitors may refer potential clients to the Company because they will be paid a fee and not because

Buckhead Capital provides appropriate and suitable investment strategies for the client. In turn, the Company earns management and/or incentive fees from these clients which may be higher than what they might pay another investment manager or collective investment vehicle.

Referred clients should ask solicitors if they are being paid fees for referrals and, if they are, should request that they be provided with information with respect to the fee arrangement.

In addition, referred clients may contact Walter DuPre, Chief Compliance Officer, to obtain information with respect to the arrangement with the solicitor, including the fee payment schedule.

#### *Other Compensation*

See Item 10 with respect to Buckhead Capital's relationship with Charles Schwab & Co.

## **Item 15 – Custody**

Clients' assets are held by a custodian of their own selection.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Buckhead Capital Management urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The custodian is responsible for, among other things, opening and maintaining a custody account or accounts in the name of the client and holding and administering all assets of the client as shall be deposited by the client from time to time with and accepted by the custodian. Pursuant to custodial agreements, each custodian will clear the respective clients' securities transactions which are effected through other brokerage firms.

Buckhead Capital may be deemed to have constructive custody with respect to certain assets of the Firm's 401k retirement benefit plans (the "Plans"). The Firm's policy is to arrange a "surprise" audit of the Plans by an independent public accountant as required by SEC Rule 206(4)-2 (the "Custody Rule"). The Plans' assets are maintained at a qualified custodian as defined by the Custody Rule.

## Item 16 – Investment Discretion

### *Investment Discretion*

As an investment adviser, Buckhead Capital is granted the discretionary authority pursuant to the investment management agreement with a client to determine which securities and the amounts of securities that are bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.

Buckhead Capital generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Subject to the Company's consent, clients may provide specific investment restrictions and guidelines (e.g., limitations on security exposures). In all cases, however, Buckhead Capital exercises such investment discretion in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Buckhead Capital seeks to comply with the investment policies, limitations and restrictions of the clients which it advises.

Investment guidelines and restrictions must be provided to the Company in writing.

### *Non-Discretionary Investment Services*

Buckhead Capital makes investment recommendations to clients who do not engage BCM to provide investment discretion. In these situations, non-discretionary clients will decide whether to accept the Company's recommendations and, if accepted, will instruct BCM to execute the order.

### *Conflicting Transactions*

Buckhead Capital may effect a purchase of securities for one client account at the same time as a sale of the same securities for another client account. In many instances such transactions will be effected to rebalance the positions held in client accounts with a view towards achieving uniform results among clients in the same strategy, or otherwise in consideration of differing cash flows, or to comply with clients' investment guidelines or restrictions. On these occasions, portfolio managers and traders will consult to ensure that the transactions are consistent with the investment objectives, policies, and restrictions of each client account and are appropriate for each client. Buckhead Capital will strive to execute these transactions at prices that are fair and equitable to the clients whose securities are being purchased or sold.

## Item 17 – Voting Client Securities

Buckhead Capital has implemented policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 of the Investment Advisers Act.

This Rule generally requires the Company to (i) adopt policies and procedures reasonably designed to ensure that proxies, with respect to securities in the clients' accounts where we exercise voting discretion, are voted in the best interest of our clients; (ii) to disclose how information may be obtained on how we vote proxies; and (iii) to maintain records relating to our proxy voting.

Buckhead Capital has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") that are designed to ensure that it votes proxies with respect to clients' portfolio securities in the best interests of clients. Buckhead Capital may utilize the services of an independent third-party provider, which would provide the Company with due diligence and administrative services with respect to voting client proxies.

In general, Buckhead Capital will vote against any actions that would reduce the rights or options of shareholders, reduce shareholder influence over the board of directors and management, reduce the alignment of interests between management and shareholders, or reduce the value of the shareholders' investments.

In addition, the following shall be strictly adhered to unless prior written approval of Buckhead Capital's Chief Compliance Officer is obtained:

- Buckhead Capital Management shall not engage in conduct that involves an attempt to change or influence the control of a public company;
- Buckhead Capital Management will not announce its voting intentions and the reasons therefore; and
- Buckhead Capital Management shall not participate in a proxy solicitation or otherwise seek proxy-voting authority from any other public company shareholder.

All communications with portfolio companies or fellow shareholders shall be for the sole purpose of expressing and discussing Buckhead Capital's concerns for its advisory clients' interests (plan participants and beneficiaries in the case of ERISA accounts) and not for an attempt to influence the control of management.

It is Buckhead Capital's policy to fully comply with ERISA's requirements regarding proxy voting. Therefore, with respect to ERISA accounts for which Buckhead Capital is an

investment manager, the Company will act prudently and solely in the interest of the participants and beneficiaries of each such account. Buckhead Capital's policies and procedures regarding proxy voting may be amended from time to time to reflect developments in applicable law.

Some ERISA accounts for which Buckhead Capital Management is investment manager may wish to retain responsibility for proxy voting or to assign that responsibility to a different investment manager. Such accounts must either provide Buckhead Capital with a plan document that expressly precludes investment managers from voting proxies or execute an investment management agreement with Buckhead Capital Management that expressly precludes the Company from voting proxies. In the absence of such documentation, Buckhead Capital Management has the legal responsibility and the obligation to vote proxies for its ERISA accounts.

Non-ERISA clients may elect to vote their own proxies as reflected in the clients' investment management agreement.

The Proxy Policy also requires that the Company identify and address proxy voting conflicts of interest between Buckhead Capital and clients. In the event a material conflict of interest exists, Buckhead Capital will determine whether voting in accordance with the guidelines set forth in the Proxy Policy are in the best interests of clients. To address a material conflict, Buckhead Capital may refer such proxy to a third-party, including the client, and will follow the voting decision of such third-party.

Buckhead Capital will provide, at no cost, a copy of its proxy voting policies and will provide clients with information regarding how proxies were voted by contacting Tara Hart, Business Manager.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Buckhead Capital Management's financial condition.

Buckhead Capital Management does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. In addition, the Company has not been the subject of a bankruptcy proceeding.