

Hale Capital Management, LP

FIRM BROCHURE (Part 2A of Form ADV)

March 25, 2015

Hale Capital Management, LP

17 State Street, Suite 3230
New York, NY 10004
(212) 751-8802
(212) 751-8822 (f)
www.halecapital.com

This Brochure provides information about the qualifications and business practices of Hale Capital Management, LP (“Hale Capital”). If you have any questions about the contents of this Brochure, please contact us at 212-751-8802. 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.

Hale Capital is registered as an investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Hale Capital also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

Hale Capital is updating its Brochure as of March 25, 2015, as part of its annual amendment filing. The following is a summary of the material changes made since Hale Capital's last annual amendment filing on March 31, 2014:

- Hale made certain clarifying amendments to this Brochure

ITEM 3 - TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| ITEM 2 – MATERIAL CHANGES | I |
| ITEM 3 - TABLE OF CONTENTS..... | II |
| ITEM 4 – ADVISORY BUSINESS | 1 |
| ITEM 5 – FEES AND COMPENSATION | 2 |
| ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .. | 5 |
| ITEM 7 – TYPES OF CLIENTS | 6 |
| ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... | 7 |
| ITEM 9 – DISCIPLINARY INFORMATION | 10 |
| ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS. | 12 |
| ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING..... | 14 |
| ITEM 12 – BROKERAGE PRACTICES..... | 16 |
| ITEM 13 – REVIEW OF ACCOUNTS..... | 20 |
| ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION..... | 20 |
| ITEM 15 – CUSTODY | 21 |
| ITEM 16 – INVESTMENT DISCRETION | 22 |
| ITEM 17 – VOTING CLIENT SECURITIES..... | 23 |
| ITEM 18 – FINANCIAL INFORMATION | 24 |

ITEM 4 – ADVISORY BUSINESS

| | |
|-----------------|--|
| Item 4.A | <p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>Hale Capital Management, LP (“Hale Capital”) is a Delaware limited partnership that was formed on January 7, 2008. Hale Capital is owned by Martin de Mora Hale, Jr.</p> |
| Item 4.B | <p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>Hale Capital provides discretionary investment advice to (i) Hale Capital Partners, L.P., a U.S. organized private investment partnership (the “Partnership”) and (ii) certain vehicles established with certain of the Partnership’s limited partners that may co-invest with the Partnership (“Co-Investment Vehicles”) (<i>see Item 12, Section A.4, “Allocation of Investment Opportunities” below</i>). Hale Capital generally invests and trades on behalf of clients primarily in equity securities, debt instruments and other obligations of companies (i) with market capitalizations typically less than \$500 million, (ii) in the process of recovering from or experiencing operating downturns, financial difficulties and/or adverse market conditions, and/or (iii) in other extraordinary situations including, but not limited to, debt restructurings, management reorganizations and product transitions. (<i>See Item 8 “Methods of Analysis, Investment Strategies and Risk of Loss”</i>)</p> |
| Item 4.C | <p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>Hale Capital does not tailor advisory services to investors in the Partnership or the Co-Investment Vehicles. (<i>See Item 16 “Investment Discretion.”</i>).</p> <p>Hale Capital, in its sole discretion, has in the past and may again in the future, (through the use of side letters or other agreements), modify certain of the offering terms for investors that are principals, employees or affiliates of Hale Capital and for certain large, strategic or other investors.</p> |
| Item 4.D | <p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>Hale Capital does not participate in wrap fee programs.</p> |
| Item 4.E | <p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</p> <p>As of December 31, 2014, Hale Capital manages \$233,128,944 in assets on a discretionary basis. Hale Capital does not manage any assets on a non-discretionary basis.</p> |

ITEM 5 – FEES AND COMPENSATION

| | |
|-----------------|---|
| Item 5.A | <p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>Our fees and compensation are described in the advisory contracts we enter into with our clients. For such services provided by the Advisor to the Partnership, the management fee is generally 2% per annum, and the performance allocation is generally 20% per annum. Such fees for the Co-investment Vehicles are negotiated with investors. The management fee is generally calculated monthly and payable quarterly in advance. The performance allocation is generally determined and payable annually and subject to a high water mark. All performance allocations charged by Hale Capital are consistent with Rule 205-3 under the Investment Advisers Act of 1940, as amended.</p> <p>Hale Capital may reduce, waive or modify fee terms for any investor including employees and members of Hale Capital who are invested in the Partnership.</p> <p>It is critical that investors refer to the relevant confidential private placement memorandum, explanatory memorandum and other governing documents for a complete understanding of how Hale Capital is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.</p> |
| Item 5.B | <p>Describe whether you deduct fees from <i>clients'</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>Hale Capital accrues expenses as they are incurred, and deducts such expenses on a monthly basis from an investor's capital account in the Partnership or Co-Investment Vehicle.</p> <p>It is critical that investors refer to the relevant confidential private placement memorandum, explanatory memorandum and other governing documents for a complete understanding of how fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by such documents.</p> |
| Item 5.C | <p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>The Partnership bears: (i) expenses incurred in connection with the acquisition, monitoring or disposition of Partnership investments (whether or not consummated), including loan fees, broken deal expenses, private placement fees, sales commissions, appraisal fees, deal sourcing fees, taxes, brokerage fees, underwriting commissions and discounts, legal, accounting, investment banking, consulting, information services, research subscriptions and professional fees, travel and related due diligence costs, communications and all other expenses related to investments or proposed investments; (ii) expenses incurred in connection with the carrying or management of Partnership investments,</p> |

| | |
|--|---|
| | <p>including interest and related expenses and custodial, trustee, record keeping and other administrative fees and expenses; (iii) expenses incurred in connection with any indebtedness of the Partnership, including, without limitation, the costs of establishing such indebtedness, the costs of monitoring compliance therewith, and the costs of any placement, commitment, trustee, underwriting and legal fees and expenses; (iv) attorney's, accountants', and third-party valuation fees and disbursements as it relates to the Partnership; (v) taxes and other governmental charges levied against the Partnership; (vi) insurance (including D&O insurance), regulatory, litigation and indemnification expenses as it relates to the Partnership; (vii) administration fees and related costs as it relates to the Partnership; (viii) the management fee; (ix) expenses incurred in connection with the preparation and delivery of reports of the Partnership and any meetings with Partners; and (x) other similar expenses related to the Partnership, as the general partner determines in its discretion. The Co-Investment Vehicles bear similar expenses. In circumstances where one or more Co-Investment Vehicles invest alongside the Fund into a specific investment, direct costs pertaining to such investment will typically be allocated either based on the relative share of invested capital in such investment of the Fund and the applicable Co-Investment Vehicle(s) or split evenly in the case of certain required regulatory filings. (<i>See Item 12 "Brokerage Practices" below.</i>)</p> <p>SENIOR ADVISORS</p> <p>Hale may hire third party consultants throughout the Fund's investment processes, including Senior Advisors who are former senior executives with operating experience and industry-specific knowledge. Senior Advisors play an important role in how Hale manages its portfolio and may assist with a variety of activities, including market research, new investment identification, pre-investment business diligence and post-investment value creation. Senior Advisors are not employees of the Adviser but consultants who provide an important source of operating and strategic expertise across a wide spectrum of different fields within Hale's focus sectors. Through these relationships, Hale may make Senior Advisors available to its portfolio companies. To date, Hale's Senior Advisors have, among other things, helped certain of our portfolio companies forge strategic partnerships, source key hires and formulate and drive growth initiatives.</p> <p>Senior Advisors are typically paid a consulting fee by Hale, which in some cases may be allocated to one or more portfolio companies. Consulting fees may vary depending upon a number of variables, including expertise and time commitment to Hale. From time-to-time, these individuals may also co-invest in transactions in which they are involved under the same terms and conditions as the Fund. As a Senior Advisor becomes more ingrained with a portfolio company, he or she may take on a more active role, including, for example, taking a board seat and providing additional services directly to the portfolio company. In either case, the Senior Advisor may receive direct compensation from the portfolio company under terms agreed to by the portfolio company and the Senior Advisor. Any such compensation will not offset the management fee received Hale.</p> <p>It is critical that investors refer to the relevant confidential private offering memorandum, explanatory memorandum and other governing documents for a complete understanding of expenses. The information contained herein is a summary only and is qualified in its entirety by such documents.</p> |
|--|---|

| | |
|-------------------|---|
| Item 5.D | <p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>Management fees are generally paid quarterly in advance, and are not refundable if the advisory contract is cancelled prior to the end of a payment period.</p> <p>It is critical that investors refer to the relevant confidential private offering memorandum, explanatory memorandum and other governing documents for a complete understanding of their withdrawal/redemption rights and when fees are charged. The information contained herein is a summary only and is qualified in its entirety by such documents.</p> |
| Item 5.E | <p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable.</p> |
| Item 5.E.1 | <p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable.</p> |
| Item 5.E.2 | <p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable.</p> |
| Item 5.E.3 | <p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable.</p> |
| Item 5.E.4 | <p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable.</p> |

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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Hale Capital or its affiliates receive annual performance-based allocations from the Partnership and the Co-Investment Vehicles, which are based on a percentage of the capital appreciation of client assets. The terms of the performance-based allocations may differ among the Partnership and the Co-Investment Vehicles, and investors in the Co-Investment Vehicles may pay lower fees. (see Item 12, Section A.4, “Allocation of Investment Opportunities” below).

Hale Capital recognizes that it is a fiduciary and as such must act in the best interests of its clients. Further, Hale Capital recognizes that it must treat all clients fairly and must refrain from favoring one client’s interests over another’s. Hale Capital regularly assesses the allocation of its resources, including investment personnel, among its clients to ensure adherence to its fiduciary duties.

ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Hale Capital provides investment advice to, and manages the investment portfolios of private investment funds. Investors in such private investment funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”). The minimum investment in the Partnership is generally \$5 million. Hale Capital will determine the minimum investment for a Co-Investment Vehicle on a case by case basis.

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

| | |
|------------------------|--|
| <p>Item 8.A</p> | <p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>Methods of Analysis and Investment Strategies Generally:</p> <p><i>The investment strategies Hale Capital pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives will be achieved.</i></p> <p>Hale Capital generally invests and trades on behalf of clients utilizing a value-oriented private equity approach to public market investing. Hale Capital generally invests and trades on behalf of clients primarily in equity securities, debt instruments and other obligations of companies (i) with market capitalizations typically less than \$500 million, (ii) in the process of recovering from or experiencing operating downturns, financial difficulties and/or adverse market conditions, and/or (iii) in other extraordinary situations including, but not limited to, debt restructurings, management reorganizations and product transitions.</p> <p>Hale Capital has developed a proprietary, template-driven due diligence approach that we utilize for most privately-negotiated investment opportunities. In such investments, we typically conduct detailed financial, market, and legal due diligence under a non-disclosure agreement to allow us (i) to understand and validate revenue; (ii) to allocate total expenses by product and/or revenue area to understand profitability drivers of the business pre- and post- investment; (iii) to identify contingent and/or hidden liabilities; and (iv) to gain a detailed understanding of cash flow. We also seek to understand deeply the business and market opportunity for each target company's core portfolio investments. This process typically requires an evaluation of the company's industry segment, a thorough review of the company's competition and relative position in the market, and a deep financial analysis and product review. We also generally spend a large amount of time with the management team and their employees so that we may: understand areas of strength and weakness; develop a plan to operate, re-orient, or grow the business post investment; develop compensation and incentive programs that align interests; and communicate and understand each other's cultural values.</p> <p>Hale Capital implements its investment strategy usually using long-term purchases (securities held at least a year) though occasionally we may use short-term purchases (securities sold within a year).</p> <p>It is critical that investors refer to the relevant confidential private offering memorandum, explanatory memorandum and other governing documents for a complete understanding of Hale Capital's investment strategies and methods of analysis. The information contained in this Item 8 is a summary only and is qualified in its entirety by such documents.</p> |
| <p>Item 8.B</p> | <p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves</p> |

| | |
|--|--|
| | <p>frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><i>Investment and Trading Risks.</i> The Partnership is not limited with respect to the types of investment strategies it may employ or the markets or instruments in which it may invest. The Partnership may hold positions in equity and equity-related securities, debt and debt-related securities and other securities and instruments. The Partnership's capital will be invested in investments that may involve high risk securities, may be illiquid, and may involve highly speculative investment techniques. An investment in the Partnership involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Partnership's investment program will be successful.</p> <p><i>Limited Liquidity Investments.</i> Limited Liquidity Investments are investments in assets or securities that the Partnership's general partner determines: (i) have limited liquidity due to restrictions on transfer or limited trading volume; (ii) are expected to be held until the resolution of a special event or circumstance; (iii) lack a readily ascertainable market value; or (iv) should be treated as having limited liquidity for any other reason. Limited Liquidity Investments may include, among other things, investments in securities of private companies, investments in restricted securities of public companies, and convertible and non-convertible debt instruments. Such Limited Liquidity Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Limited Liquidity Investments are often volatile and may not be ascertainable.</p> <p><i>Investments in Small Capitalization Companies.</i> The Partnership expects to invest primarily in the securities of companies with market capitalizations of less than \$500 million. While Hale Capital believes that such investments often provide significant potential for appreciation, it recognizes that such investments involve higher risks than investments in the stocks of larger companies. For example, prices of small 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 losses to investors) is higher than for larger, blue-chip companies. In addition, due to thin trading volumes in many smaller capitalization stocks, an investment may be characterized by reduced liquidity.</p> <p><i>Industry Concentration and Diversification.</i> As the Partnership's investments may be concentrated within only a few industries, an investment in the Partnership may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries. In addition, it is anticipated that the Partnership will invest in a relatively small number of core positions. As a consequence, the aggregate return on a limited partner's investment in the Partnership may be substantially adversely affected by the unfavorable performance of even a single portfolio investment.</p> <p><i>Providing Assistance to Portfolio Companies.</i> Hale Capital will often attempt to obtain rights to participate in or influence the conduct of the management of the</p> |
|--|--|

| | |
|-----------------|---|
| | <p>portfolio companies to which an investment relates, which could expose the Partnership and/or Hale Capital to claims by such company, its security holders and its creditors. If these liabilities were to occur, the Partnership could suffer losses. Although Hale Capital often seeks to be a participant in a company's business, the Partnership may also be a minority investor and may not be permitted and/or desire to have a controlling role in the management or influence in the governance of certain investments. As a result, the Partnership's control over certain investments may be limited, and access to information concerning the investments and related matters may not be comprehensive and timely.</p> <p><i>Material, Non-Public Information.</i> From time to time, the Partnership or Advisor expects to come into possession of confidential or material, non-public information that would limit the ability of the Partnership to buy and sell certain investments. The Partnership's investment flexibility may be constrained due to the inability of Hale Capital to use such information for investment purposes.</p> <p><i>Investments in Distressed Securities.</i> The Partnership may invest in below investment grade securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers.</p> <p>The above risk factors relate to certain risks associated with methods of analysis/ investment strategies and particular types of securities and do not purport to be a complete list or explanation of the material risks involved in an investment advised by Hale Capital. A more detailed discussion of risks is set out in the Offering Memoranda for the Partnership.</p> |
| Item 8.C | <p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>It is critical that investors refer to the relevant confidential private offering memorandum, explanatory memorandum and other governing documents for a complete understanding of the material risks involved in relation to the types of securities that Hale Capital invests in on behalf of the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.</p> |

ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Hale Capital is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of Hale Capital or the integrity of its management. Hale Capital has no legal or disciplinary information to disclose at this time.

| | |
|------------------------|--|
| <p>Item 9.A</p> | <p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses; 2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; 3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or 4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i> <p>Not applicable.</p> |
| <p>Item 9.B</p> | <p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> 1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or 2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> (a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business; (b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business; (c) otherwise significantly limiting your firm's or a <i>management</i> |

| | |
|-----------------|--|
| | <p><i>person's investment-related</i> activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</p> <p>Not applicable.</p> |
| Item 9.C | <p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or 2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500. <p>Not applicable.</p> |

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

| | |
|------------------|---|
| Item 10.A | <p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable. Neither Hale Capital nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.</p> |
| Item 10.B | <p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Neither Hale Capital nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of such entities.</p> |
| Item 10.C | <p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> 1. broker-dealer, municipal securities dealer, or government securities dealer or broker 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund) 3. other investment adviser or financial planner 4. futures commission merchant, commodity pool operator, or commodity trading advisor 5. banking or thrift institution 6. accountant or accounting firm 7. lawyer or law firm 8. insurance company or agency 9. pension consultant 10. real estate broker or dealer 11. sponsor or syndicator of limited partnerships <p>Hale Capital and its related persons manage the Partnership, which is deemed to be our related person. Hale Capital or an affiliate of Hale Capital may manage additional pooled investment vehicles that may be organized by Hale Capital or an affiliate in the future and in which existing and prospective clients may be solicited to invest. The management of these pooled investment vehicles may result in conflicts of interests when we and our related persons allocate their time and investment opportunities among the Partnership and other clients.</p> <p>Hale Fund Partners, LLC and Hale Fund Management serve as the general partner to the Partnership and the Co-Investment Vehicles, respectively.</p> |

| | |
|------------------|---|
| | <p>The Partnership may offer co-investment rights to certain investors. One or more of the Partnership’s general partner, Hale Capital, and their respective members, affiliates, officers, managers and employees may also co-invest in investments made by the Partnership. However, no limited partner should have any expectation or entitlement to be offered an opportunity to participate in such co-investments except to the extent of their participation through the Partnership or through a side letter or other agreement.</p> <p>Mr. Hale as well as other investment professionals of Hale Capital may serve as a member of boards of directors of companies in which the Partnership has invested. In this capacity, such individuals will become subject to fiduciary, reporting or other duties that may adversely affect the Partnership. For example, the Partnership will be unable to buy or sell certain securities if one of its employees is in possession of material non-public information relating to such investments.</p> |
| Item 10.D | <p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>The compensation earned by Hale Capital and related persons from each of the Co-Investment Vehicles may differ from one another and the Partnership. The Co-Investment Vehicles can only participate in an investment in certain circumstances. (see <i>Item 12, Section A.4, “Allocation of Investment Opportunities” below</i>).</p> |

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

| | |
|------------------|---|
| Item 11.A | <p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.</p> <p>Hale Capital has adopted a Code of Ethics designed to ensure, among other things, that the personal securities transactions of the Hale Capital’s principals, employees, and affiliates do not conflict with transactions effected on behalf of Client Accounts. The Code of Ethics is based on the core principle that Hale Capital and its employees owe a fiduciary duty to clients. Thus, employees of the Hale Capital must (i) place the interest of Client Accounts first, (ii) avoid taking inappropriate advantage of their positions with Hale Capital, and (iii) conduct any personal securities transactions in full compliance with the Code of Ethics. Hale Capital’s employees may not buy or sell securities in which Client Accounts also invest. Any trading by such employees for most financial instruments is contingent upon pre-approval by the CCO or his designee. A copy of Hale Capital’s Code of Ethics is available upon request from the Chief Compliance Officer at the following address: Hale Capital Management, LP, 17 State Street, Suite 3230, New York, NY 10004, or by phone at (212) 751-8802.</p> <p>The Partnership may engage in certain transactions with its affiliates provided the terms thereof are commercially reasonable, as determined by the general partner.</p> |
| Item 11.B | <p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Not Applicable.</p> |
| Item 11.C | <p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>The Co-Investment Vehicles may invest in the same securities as the Partnership. Our employees may invest personally in the Co-Investment Vehicles and/or the Partnership. These investments could pose a conflict of interest with other clients because officers and employees may be motivated to allocate time, attention and/or investment opportunities to our Co-Investment Vehicles and/or the Partnership at the expense of other the other client. We have adopted written policies and procedures governing the allocation of investment opportunities designed to ensure that all client accounts are treated fairly and equitably.</p> <p>Hale Capital and its related persons and entities are strictly prohibited from purchasing securities of issuers that Hale Capital has come into contact with material non-public information. In order to manage this conflict of interest, Hale Capital maintains a restricted list and the Code of Ethics requires employees to obtain prior written approval from the Chief Compliance Officer before engaging</p> |

| | |
|------------------|---|
| | <p>in certain transactions in reportable securities in his/her personal account. Such employee transactions will be reviewed in the best interests of Hale Capital's Advisory Clients and will be denied by the Chief Compliance Officer if there is risk of potential adverse consequences to the Advisory Clients..</p> <p>The Chief Compliance Officer critically reviews access persons' personal transaction reports to make sure each access person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>As noted, Hale Capital's related persons and related entities have investments in the Partnership.</p> |
| Item 11.D | <p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Not Applicable.</p> |

ITEM 12 – BROKERAGE PRACTICES

| | |
|--------------------|---|
| Item 12.A | <p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p>On at least an annual basis, our trading review committee periodically evaluates the execution performance of the broker-dealers we use to execute client transactions. The trading review committee also evaluates, and seeks to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.</p> |
| Item 12.A.1 | <p><u>Research and Other Soft Dollar Benefits.</u> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <ol style="list-style-type: none"> a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services. b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution. c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact. d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate. e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year. f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received. <p>Hale Capital is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Hale Capital’s primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. Hale Capital also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and commissions to be paid. Hale Capital does not normally, but may from time-to-time, also consider the quality,</p> |

| | |
|--|--|
| | <p>comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades. Although it does not currently do so, Hale Capital is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research-related products and services or to pay higher commissions to such firms if Hale Capital determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, the Partnership may be deemed to be paying for certain research and related products and services with soft or commission dollars. Such soft dollar arrangements will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research obtained with soft dollars generated by the Partnership may be used by Hale Capital to service accounts other than the Partnership. Where a product or service obtained with soft dollars provides both research and non-research assistance to Hale Capital, Hale Capital will make a reasonable allocation of the cost which may be paid for with soft dollars.</p> <p>In addition, Hale Capital may, in its discretion, determine to use one or more third party service providers to perform certain trading functions for the Partnership, and in connection therewith the Partnership may pay higher brokerage commissions than might be paid if Hale Capital performed this function, particularly in the case of trades that Hale Capital directs to be executed with a broker other than the third party service provider. Such service provider may be subject to certain restrictions and conflicts that may limit its ability to perform such trading services.</p> <p>Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay for products and services with client commissions expenses that would otherwise be borne by us. When we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We believe that this conflict is mitigated because our clients will generally pay for research as a “hard dollar” expense pursuant to their respective investment management agreements. We may have an incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients’ interests in receiving most favorable execution.</p> <p>Research provided by such brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar credits.</p> <p>Although we do not participate in “soft dollar” relationships, during our last fiscal year, we may be deemed to have acquired with client brokerage commissions (or markups or markdowns), research, such as proprietary research from brokers which may have been written and/or oral.</p> <p>During our last fiscal year, we have taken into account the quality,</p> |
|--|--|

| | |
|--------------------|---|
| | <p>comprehensiveness and frequency of available research services and products considered to be of value provided by brokers when directing client transactions to a particular broker. We directed transactions to such brokers only consistent with best execution. Brokers sometimes suggest a level of business they would like to receive in return for the research services and products they provide, however we have not committed to provide any level of brokerage business to any broker. Our Portfolio Manager and Chief Financial Officer also evaluate the execution performance of the broker-dealers we use to execute client transactions and resolve any conflicts of interest that we may have had in selecting brokers to execute client transactions.</p> |
| Item 12.A.2 | <p><u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals. <p>Not Applicable.</p> |
| Item 12.A.3 | <p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices. <p>Not Applicable.</p> |
| Item 12.B | <p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>From time-to-time, Hale Capital may seek to make an investment that is too large</p> |

| | |
|--|---|
| | <p>for the Partnership based on risk or exposure limitations. Hale Capital generally does not intend to invest more than 15% of the Partnership's aggregate committed capital at the time of the investment in the securities of any one company without investor approval. Additionally, Hale Capital generally prefers lower portfolio concentrations for investments that it deems to have higher levels of risk or which may be expected to require subsequent rounds of funding. In such situations, Hale Capital has made use of Co-Investment Vehicles, and the Partnership and the Co-Investment Vehicles participated together in the transaction. However, no limited partner should have any expectation or entitlement to be offered an opportunity to participate in such co-investments except to the extent of their participation through the Partnership or through a side letter or other agreement. Execution prices for identical securities purchased or sold on behalf of the Partnership and a Co-Investment Account in any one business day may be averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner that Hale Capital considers to be fair and equitable to all clients.</p> |
|--|---|

ITEM 13 – REVIEW OF ACCOUNTS

| | |
|------------------|--|
| Item 13.A | <p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>Client portfolios are reviewed daily, and their performance analyzed, by our investment professionals, including, but not limited to Martin de Mora Hale, Jr. Client portfolios are also reviewed by members of our operations team to monitor compliance with the applicable trading mandate and any applicable risk and/or operating guidelines.</p> |
| Item 13.B | <p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>Please see Item 13.A above. The accounts are reviewed regularly.</p> |
| Item 13.C | <p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Hale Capital furnishes investors in the Partnership with written unaudited performance information on a quarterly basis. On an annual basis, investors in the Partnership and the Co-Investment Vehicles will receive a copy of the relevant fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1). Hale Capital provides the owners of the Co-Investment Vehicles we manage with periodic unaudited performance information performance information at such times as mutually agreed upon.</p> |

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

| | |
|------------------|--|
| Item 14.A | <p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p> |
| Item 14.B | <p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Not applicable.</p> |

ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Hale Capital is deemed to have custody of the Partnership's and Co-Investment Vehicles' assets because of the authority we have over those assets.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Hale Capital will ensure that the Partnership is subject to annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules and that the Partnership's audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all investors within 120 days of the end of each fiscal year. The Partnership is also subject to audit upon liquidation and the audited financial statements are distributed to all investors promptly after the completion of such audit. Hale Capital urges investors to carefully review the audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Hale Capital has discretionary authority to manage securities accounts on behalf of our clients. The investors in the Partnership generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of the Partnership. Prospective Investors are provided with a confidential private offering memorandum prior to their investment and are encouraged to review carefully such confidential private offering memorandum, along with all other relevant Partnership materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors should also consult with their legal, tax, or other advisors prior to making any investment.

ITEM 17 – VOTING CLIENT SECURITIES

| | |
|-------------------------|---|
| <p>Item 17.A</p> | <p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Hale Capital generally has voting discretion over securities held in client accounts. Investors are generally not able to direct their votes in a particular situation. Hale Capital will exercise its discretion in the best interests of its clients. In fulfilling its obligations to its clients, Hale Capital will endeavor to act in a prudent and diligent manner intended to enhance the economic value of the securities. Hale Capital has adopted a proxy voting policy which is summarized below.</p> <p>Hale Capital has implemented a proxy voting policy (the “Policy”) to ensure that proxies received in respect of securities held in client accounts are voted to further the interests of the relevant client and in a manner consistent with its investment philosophy, as set forth in the relevant investment management documents. The Policy establishes a mechanism to address conflicts of interests between the Advisor and the client. Hale Capital does not vote proxies received for securities that are no longer held in a client's account. If a proxy vote creates a material conflict between the interests of Hale Capital and a client, Hale Capital will resolve the conflict before voting the proxies. An investor may obtain a copy of the Policy as well as information about how Hale Capital voted client securities in the past by contacting Hale Capital at the address set forth on the cover page of this brochure.</p> |
| <p>Item 17.B</p> | <p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p> |

ITEM 18 – FINANCIAL INFORMATION

| | |
|------------------|--|
| Item 18.A | <p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity. 2. Show parenthetically the market or fair value of securities included at cost. 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X. <p>Not applicable.</p> |
| Item 18.B | <p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Hale Capital is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds.</p> |
| Item 18.C | <p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p> |