

Item 1 – Cover Page

ADV Part 2A



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This brochure (the “Brochure”) provides information about the qualifications and business practices of Hale Partnership Capital Management, LLC (“Hale”). If you have any questions about the contents of this Brochure, please contact us at info@halepartnership.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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Item 2 – Material Changes

This is the initial Brochure filed by Hale. In the future, this Item will discuss specific material changes that are made to the Brochure and provide investors with a summary of such changes. Pursuant to SEC Rules, Hale will ensure you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of its fiscal year. Hale may further provide other ongoing disclosure information about material changes as necessary.

Hale will further provide you with a new Brochure, as necessary, based on changes or new information, at any time, without charge.

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Item 4 – Advisory Business

General Information

Hale, a North Carolina limited liability company, was organized in 2010.

Fund Investment Advisory Services

Hale provides investment advisory services to four private investment vehicles (each, a “Fund” and collectively, the “Funds”), each of which is exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Each Fund’s securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As the investment adviser of each Fund, Hale, along with Hale Partnership Capital Advisers, LLC, the general partner of each Fund (the “General Partner”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Fund. A summary of each Fund follows.

- Hale Partnership Fund, L.P., a Delaware limited partnership that seeks to maximize after-tax total returns by exploiting inefficient segments of the financial markets including, but not limited to, small capitalization equities, merger arbitrage, distressed debt, post-reorganization equities, corporate liquidations, and options.
- MGEN II – Hale Fund, L.P., a Delaware limited partnership that seeks to maximize after-tax total returns by exploiting inefficient segments of the financial markets including, but not limited to, small capitalization equities, merger arbitrage, distressed debt, post-reorganization equities, corporate liquidations, and options. This fund is closed to outside investors.
- Clark-Hale Fund LP, a Delaware limited partnership that seeks to maximize after-tax total returns by exploiting inefficient segments of the financial markets including, but not limited to, small capitalization equities, merger arbitrage, distressed debt, post-reorganization equities, corporate liquidations, and options. This fund is closed to outside investors.
- Hale Medical Office Building Fund, L.P., a Delaware limited partnership that seeks to invest in properties with prime location, primarily medical office building properties located in and around the Southeast and Mid-Atlantic regions of the United States. This fund is closed to outside investors.

Hale provides investment advisory services to each of the Funds pursuant to separate investment advisory agreements. Investment advice is provided by Hale directly to the Funds, subject to the direction and control of the General Partner and not individually to the investors in the Funds. Any restrictions on investments in certain types of

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securities are established by the General Partner and are set forth in the documentation received by each limited partner prior to investment in such Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which such Fund may invest. Additional information about each Fund is provided in the offering document for such Fund, which is available upon request.

Institutional Investment Advisory Services

Hale may provide investment advisory services to institutional investors (the “Institutional Investors”). Prior to providing advice to an Institutional Investor, Hale will spend time with the client asking questions, discussing the client’s investment experience and financial circumstances, and broadly identifying major goals of the client. For example, Hale may discuss with the client cash flows, required distributions, significant institutional events, risk tolerance, and return expectations, among others. An Institutional Investor may impose restrictions on the types of securities in which Hale may invest on its behalf and may provide investment guidelines to Hale at any time.

In providing such services, Hale may utilize, in whole or in part, investment strategies used by the Funds.

Type and Value of Assets Currently Managed

All of Hale’s investment advisory services are provided on a discretionary basis. As of April 30, 2017, Hale had \$75 million in regulatory assets under management.

Principal Owner

The principal owners of Hale are Steve Hale and Brad Garner.

Item 5 – Fees and Compensation

Fund Fees

Neither MGEN II – Hale Fund, L.P. nor Hale Partnership Fund L.P., charges a management fee. However, Clark-Hale Fund LP and Hale Medical Office Building Fund, L.P. do charge management fees. Such management fees are paid to Hale on the following terms:

Clark-Hale Fund LP. Each Fund investor pays, through the Fund, its proportionate share of the quarterly management fee calculated and payable in advance to Hale as of the close of business in New York on the last business day of the preceding quarter. The management fee is calculated based on an annual rate of one percent (1%) of the Fund’s net assets.

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Hale Medical Office Building Fund, L.P. The Fund pays to Hale an asset management fee equal to 1.0% annually (0.25% each quarter) of the aggregate capital contributions made to the Fund.

The Management Fees of the Funds are generally subject to waiver or reduction by the General Partner in its sole discretion.

In addition, each Fund is also responsible for certain of its operating expenses. Such expenses generally include, without limitation, legal, accounting, tax, auditing, custodial, and administrative fees, as outlined in the offering document related to each Fund.

Institutional Investor Fees

Hale's fees for Institutional Investors are negotiated individually with each client. Generally, fees are deducted from an Institutional Investor's account quarterly in arrears.

In the event of a termination of a Fund's or an Institutional Investor's investment advisory agreement, fees will be prorated. Any paid but unearned fees will be promptly refunded, and any fees due to Hale will be invoiced or deducted from the Fund's or the Institutional Investor's account prior to termination.

Additional information related to the foregoing fee discussion is set forth below under "*Performance-Based Fees and Side-By-Side Management*" and "*Brokerage Practices*".

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

Fund Performance Fees

While Hale does not receive a performance-based fee, the General Partner generally receives performance-based fees in the form of carried interest of up to 25% of the net profits earned by each Fund investor above the applicable hurdle rate and, as applicable, after any loss carryforward provision is satisfied, as further described in each Fund's offering documents. While the Funds have long-term investment strategies, potential investors should note that a carried interest arrangement may nonetheless provide an incentive for Hale to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement.

Notwithstanding the foregoing, the General Partner may negotiate or set performance fees and other terms different from the foregoing with respect to any Fund Hale manages.

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Institutional Investor Performance Fees

Hale generally receives performance-based fees in the form of carried interest of up to 15% of the net profits earned by each Institutional Investor above the applicable hurdle rate and, as applicable, after any loss carryforward provision is satisfied, as further described each Institutional Investor's investment management agreement. While the Institutional Investors may have long-term investment strategies, potential investors should note that a carried interest arrangement may nonetheless provide an incentive for Hale to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement.

Notwithstanding the foregoing, the Hale may negotiate or set performance fees and other terms different from the foregoing with respect to any Institutional Investor.

Item 7 – Types of Investors

Hale currently provides investment advisory services to the Funds and to Institutional Investors.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the Investment Company Act. Investors eligible to invest in the Funds are “accredited investors” as defined in Regulation D under the Securities Act. “Accredited investors” may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations and other business entities.

The minimum investment requirement for a Fund offered by Hale varies from Fund to Fund, but typically begins at \$100,000. The minimum account size for the Hale Partnership Fund, L.P., which is the only Fund open to new investors, is \$250,000. Hale reserves the right to negotiate the minimum investment amount with the investor and may have accounts where the initial investment is more or less than \$250,000.

The General Partner of each Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable Fund's offering documents.

The minimum investment required for an Institutional Investor varies and is subject to negotiation, but typically begins at \$40 million.

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

Methods of Analysis and Investment Strategies

Hale currently utilizes fundamental analysis and manages each Fund in accordance with the investment strategy outlined in its offering documents. Each strategy

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involves significant risks, including the risk that each Fund (and, in turn, the Fund investors), could lose some or all of any invested capital. An investment in a Fund will provide limited liquidity because there are significant restrictions on transferability of each Fund's interests and withdrawals from each Fund. A general description of the primary investment strategies of the Funds are set forth below:

Hale Partnership Fund, L.P.

The Fund seeks to maximize after-tax total returns by exploiting inefficient segments of the financial markets including, but not limited to, small capitalization equities, value equities, merger arbitrage, distressed debt, post-reorganization equities, corporate liquidations, and options. The Fund targets a concentrated portfolio of between ten and fifteen such positions. In addition to those positions, Hale may use options or sell securities short to hedge the Fund's exposure to the stock market, interest rates, and/or currencies.

MGEN II – Hale Fund, L.P.

The investment strategy utilized in managing this Fund is identical to the strategy utilized in managing the Hale Partnership Fund, L.P. However, this fund is closed to outside investors.

Clark-Hale Fund LP

The investor strategy utilized in managing this Fund is identical to the strategy utilized in managing the Hale Partnership Fund, L.P. However, this fund is closed to outside investors.

Hale Medical Office Building Fund, L.P.

The Fund seeks to invest in properties with prime location, primarily medical office building properties located in and around the Southeast and Mid-Atlantic regions of the United States. The Fund may also invest in other attractive real estate, real-estate related, and co-investment opportunities, including, without limitation, real estate investment trusts and joint real estate investments. This fund is closed to outside investors.

Hale may provide investment advisory services to Institutional Investors utilizing fundamental analysis and, in whole or in part, the investment strategies utilized by the Funds.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not guarantee the success of any investment decision, methodology, or strategy that

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we may use, or the success of our overall management. We invest client accounts in different types of securities and financial instruments, which are subject to risks. Therefore, using our advisory services involves various risks, including, but not limited to, the risk factors set forth below. While these risk factors should be reviewed carefully, other risk factors ultimately may affect investment returns and performance in a manner and to a degree not now foreseen or not specifically identified in this Brochure disclosure.

Acquired Fund Risk. Investing in securities issued by registered investment companies and private investment partnerships involves the paying of a portion of the operating costs of the investment companies or partnerships. These costs include management, brokerage, shareholder servicing, and other operational expenses. Since these costs may involve the duplication of advisory fees and other expenses, you may indirectly pay higher operational costs than if you owned shares of the underlying investments of the investment company directly.

Activist Investor Risk. When utilizing the strategies described above, we are likely to invest in the securities of a company in which an activist investor is exerting or is trying to exert influence. We will invest in such securities when we believe that the activist is likely to exert influence on the company in a positive way and deliver value for investors. However, the risk exists that the company will utilize various means to neutralize the activist and avoid the activists' influence or that the activist will determine the cost of fighting to gain influence over the company is too great and abandon the effort. Either outcome would likely have a negative effect on the value of the company's securities.

Cash or Cash Equivalents Risk. When holding cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

Commodity Risk. Investments which may be affected by commodity risks include equity investments in companies whose business relate to the value of commodities directly and indirectly, futures contracts tied to the price of particular commodities, and shares of investment pools that invest in commodity-related equities or futures contracts. Investments related to commodities may be more volatile and less liquid than alternative investments. The value of investments related to commodities may be materially and quickly changed by government regulation, natural disasters, technological innovation, wars and terrorist attacks, and other events outside the control of our control.

Currency Risk. Changes in the exchange rates between foreign currencies and the U.S. dollar may negatively affect the value of investments in foreign securities. For example, a U.S. investor will receive fewer dollars if foreign securities denominated in a foreign currency are sold, mature, or are liquidated after the foreign currency has

weakened relative to the U.S. dollar. Domestic securities whose issuers conduct a significant portion of their business in foreign currencies may also be negatively affected by changes in the exchange rates between those foreign currencies and the U.S. dollar may negatively affect the value of those domestic securities.

Derivatives Risk. Even a small investment in derivatives (which include options, futures and other transactions) may give rise to leverage risk (which can increase volatility and magnify a portfolio's potential for loss), and can have a significant impact on the portfolio's performance. Derivatives are also subject to credit risk (the counterparty may default) and liquidity risk (it may be difficult to save or otherwise exit the contract in a timely manner.)

Equity Security Risk. Common and preferred stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Warrants and rights may expire worthless if the price of a common stock is below the conversion price of the warrant or right. Convertible bonds may decline in value if the price of a common stock falls below the conversion price. Investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction and global or regional political, economic and banking crises.

Hedging Risk. Hedging is a strategy in which a derivative is used to offset the risks associated with other holdings (e.g., purchasing an S&P futures contract to offset a substantial short equities position). There can be no assurance that the hedging strategy will reduce risk or that hedging transactions will be either available or cost effective.

Index Risk. If the derivative is linked to the performance of an index, it will be subject to the risks associates with changes in that index.

Inflation Risk. Increases in real interest rates can cause the price of debt securities to decrease. Interest payments on debt securities can be unpredictable.

Interest Rate Risk. Fixed income securities and other instruments may decline in value because of a general increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates.

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Leverage Risk. Using derivatives like commodity futures and options to increase a portfolio's combined long and short exposure creates leverage, which can magnify the potential for gain or loss and, therefore, amplify the effects of market volatility on the portfolio's value.

Liquidity Risk. Liquidity refers to the relative ease of turning an investment in cash or a cash equivalent. Liquidity is primarily effected by the present demand for the investments relative to the supply available for purchase. In utilizing the strategies described above, we are likely to make investments in relatively small markets where it believes it can find mispriced assets. However, acquiring investments in such markets carries the risk that we will be unable to find a willing buyer for the investments when we determine it is time to sell the investment. As a result, we may not be able to sell the investment at what we believe to be a fair price or may be unable to sell the investment at all.

Management Risk. The portfolio manager's judgements about the attractiveness, value and potential appreciation of particular investments may prove to be incorrect and there is no guarantee that the portfolio manager's judgement will produce the desired results.

Market Risk. The value of securities may decline due to daily fluctuations in the securities markets. Performance of securities will vary daily, based on many factors that affect the stock market, including changes in interest rates, national and international economic conditions, and general equity market conditions. In a declining stock market, stock prices for all companies may decline, regardless of the long-term prospects of particular companies.

Non-Diversification Risk. A relatively high percentage of the assets in a portfolio may be invested in the securities of a limited number of companies that could be in the same or related economic sectors. Accordingly, your portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified portfolio.

Options Risk. There are risks associated with the sale and purchase of call and put options. The seller (writer) of a put option tends to lose money if the value of the reference index or security falls below the strike price. The seller (writer) of a call option tends to lose money if the value of the reference index or security rises above the strike price. The buyer of a put or call option risks losing the entire premium invested in the option if the value of the reference index or security is such that the option is not exercised before it expires.

Political Risk. Political elections and the public policy crafted as a result thereof can negatively affect investments. At one extreme, elections may lead to the nationalization of industries, particular sub-sets of industries, or company assets.

However, elections may also lead to public policy decisions resulting in a sudden or gradual changes in the availability of a commodity, barriers to entry in business or a business sector, tariffs, and taxes. Public policy decisions can also change incentives related to the desirability of entering into certain transactions, including, but not limited to, mergers and spin-offs, which could negatively affect investments.

Real Estate Risk. Real estate risk entails a wide variety of risks, including, but not limited to, changes in taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate. Additional real estate risks include overbuilding in a particular community or region (*i.e.*, surplus inventory), rising operating costs, rising mortgage interest rates, and increased property taxes. Some real estate related investments are not fully diversified and are subject to the risks associated with financing a limited number of projects. In addition, some real estate investments, such as real estate investment trusts, may be heavily dependent upon the management team and are subject to heavy cash flow dependency, defaults by borrowers and self-liquidation.

Sector Risk. When investments are concentrated in a sector or group of sectors, investment returns may be adversely impacted by events or developments in such sector or group of sectors. These events or developments might include additional government regulation, resource shortages or surpluses, changes in consumer demands or improvements in technology that make products or services of a particular sector less desirable.

Small and Mid-Capitalization Stock Risk. The earnings and prospects of small and mid-capitalization stocks are more volatile than larger companies. Smaller companies may experience higher failure rates than larger companies. Smaller companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures. Smaller companies may also have limited markets, product lines or financial resources and may lack management experience.

Turnover Risk. The investment processes and tools we utilize may lead to higher portfolio turnover. Higher turnover may result in higher transactional, brokerage, and tax costs. Higher costs may negatively affect portfolio returns.

Item 9 – Disciplinary Information

Hale has no disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

The General Partner serves as general partner of the Funds, and the principals of Hale are also the principals of the General Partner.

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

Code of Ethics and Personal Trading

Hale has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. Hale’s Code has several goals. First, the Code is designed to assist Hale in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Hale owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Hale-associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Hale’s associated persons (managers, officers and employees). Under the Code’s Professional Standards, Hale expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Hale-associated persons are not to take inappropriate advantage of their positions in relation to Hale clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Hale’s associated persons may invest in the same securities recommended to clients. This may create a conflict of interest because associated persons of Hale may invest in securities ahead of or to the exclusion of Hale clients. Under its Code, Hale has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, including generally disallowing trading by an associated person in any security within one day before any client account trades or considers trading the same security and the creation of a restricted securities list, reporting and review of personal trading activities and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, Hale has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended

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to clients. In the event of any identified potential trading conflicts of interest, Hale's goal is to place client interests first.

Consistent with the foregoing, Hale maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If associated persons trade with client accounts (*e.g.*, in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Hale's written policy.

Item 12 – Brokerage Practices

When given discretion to select the brokerage firm that will execute orders in client accounts, Hale seeks "best execution", which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Hale may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Hale's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

DIRECTED BROKERAGE: Hale does not allow directed brokerage accounts.

TRADE AGGREGATION: Hale may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts (including the Funds), so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows Hale to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

Hale will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of Hale's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Hale's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular

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account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

Hale will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment over time, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of Hale. Hale's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and Hale will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Hale will generally not engage in cross trading or principal trades with respect to the assets of Funds or Institutional Investors; provided, however, that Hale may engage in cross trading or principal trades with respect to the assets of Institutional Investors with the prior written consent of such investor.

Item 13 – Review of Accounts

Fund Reviews

The General Partner will cause Fund accounts to be reviewed not less than quarterly. These reviews will include the appropriateness of the Fund's investments for the Fund's portfolio and the performance of the Fund. Investors in the Funds generally receive, among other things, a copy of financial statements of the relevant Fund after

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the fiscal year end of the Fund. In addition, investors in the Funds receive regular reporting updates through letters and investor meetings.

Institutional Investor Reviews

All portfolios for Institutional Investors are monitored by the principals of Hale on a regular basis for performance, outlook and suitability based on investor objectives. Account reviews with Institutional Investors may be quarterly, annually or ad hoc, as requested by the Institutional Investor. Institutional Investors generally receive a review of their current investment holdings, realized and unrealized gains and losses, investment income and investment performance on a monthly basis from the respective Fund's administrator.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Hale will provide additional written reports as needed or requested by Institutional Investors. Institutional Investors should carefully compare the statements that they receive from Hale against the statements that they receive from their account custodian(s).

Item 14 – Investor Referrals and Other Compensation

Hale may use the services of unaffiliated solicitors to serve as placement agents for the Funds. Under those circumstances, Hale may pay compensation to the solicitor; however, those arrangements will be effected in accordance with Rule 206(4)-3 under the Advisers Act and the investor will not pay a higher fee as a result of any solicitation or referral.

Item 15 – Custody

Fund Custody

Hale (through the General Partner) is deemed to have custody of certain assets of the Funds.

The Funds' current qualified custodian is Interactive Brokers LLC. All of the Funds' certificated investment securities are currently held by the qualified custodian on behalf of the Funds. Only Hale Partnership Fund, L.P. currently is audited annually, and the annual audited financial statements of such Fund are sent to the Fund's investors. The audit is conducted in accordance with generally accepted accounting principles.

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Additionally, the qualified custodian for the Funds sends quarterly account statements directly to the Funds or investors in the Funds.

Institutional Investor Custody

The Bank of New York Mellon is the custodian of all Institutional Investor accounts. From time to time, however, an Institutional Investor may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide the Institutional Investor with confirmations of trading activity, tax forms and at least quarterly account statements. Institutional Investors are advised to review this information carefully, and to notify Hale of any questions or concerns. Institutional Investors are also asked to promptly notify Hale if the custodian fails to provide statements on each account held.

From time to time and in accordance with Hale's investment advisory agreement with Institutional Investors, Hale will provide additional reports. As mentioned above, the account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Hale may be deemed to have "soft" custody of its Institutional Investor accounts because Hale's portfolio management fees are normally debited directly from the account(s), unless other arrangements are made.

Item 16 – Investment Discretion

Hale has discretionary authority to determine the investments to be bought or sold and the amounts to invest for the Funds, pursuant to the investment advisory agreement and/or management agreement between the General Partner and Hale. Hale has such discretionary authority to invest for each Institutional Investor pursuant to an investment advisory agreement between the client and Hale.

Item 17 – Voting Client Securities

Hale has adopted a proxy voting policy whereby Hale will use its best efforts to vote proxies on behalf of the Funds and Institutional Investors. Clients have no authority to direct the vote of Hale. Should a conflict of interest arise in voting securities, Hale will attempt to resolve the conflict with the view of the best interest of its clients. Clients may obtain a copy of Hale's complete proxy voting policies and procedures upon request. Clients may also obtain information from Hale about how Hale voted any proxies on behalf of their account(s).

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Item 18 – Financial Information

Hale does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, but Hale (through the General Partner) is deemed to have custody of certain assets of the Funds. Hale has no financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 – Requirements for State-Registered Advisers

Hale has no disclosure with respect to this item.