

Shade Tree Advisors LLC d/b/a: Shade Tree Advisors

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Shade Tree Advisors. If you have any questions about the contents of this brochure, contact us at 518-290-9460. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Shade Tree Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Shade Tree Advisors is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 22, 2023 we have made the following material changes to our Brochure:

We revised our disclosure in Item 6 to note that as special profits interest member of our two affordable housing funds, ST Community Housing Investment Partners I, LLC ("ST CHIP") and Community Housing Investment Partners Fund II LLC ("CHIP II"), we will receive performance-based compensation in the form of a percentage of the distributions (or cash flows) to the members (i.e., a "profit share"), as well as one-time securitization incentive fees upon a successful Tax-Exempt Bond Securitization. Consequently, a conflict of interest exists.

We added a description of Government Bonds and removed Variable Annuities in Item 8.

We revised our disclosure in Item 10 under "Manager of Pooled Investment Vehicle" to clarify that we are the owner of ST CHIP Investors, LLC. Shade Tree Advisors LLC, along with ST CHIP Investors, LLC are the sponsor, general partner, managing member (or equivalent) of the ST Community Housing Investment Partners I, LLC Fund, ("the Fund" and collectively "the Funds"), a feeder fund for the R4 Tax Exempt Housing Partners, LLC master fund. You may be solicited to invest in the ST Community Housing Investment Partners I, LLC Fund. ST CHIP Investors, LLC is a special profits interest member of the Fund and, in light of that and the ownership structure, a conflict of interest exists.

Additionally, we are the majority owner of Oak Point Capital, LLC ("Oak Point") and CHIP II Investors, LLC ("CHIP II Investors"). Oak Point and CHIP II Investors are the manager and general partner, respectively, of the Community Housing Investment Partners II, LLC (the "Fund" and collectively "the Funds"), a private pooled investment vehicle in which you may also be solicited to invest. CHIP II Investors is a special profits interest member of the Fund and, in light of that and the ownership structure, a conflict of interest exists.

You should also be aware that one or more of the other Funds in which you may be solicited to invest are owned by Stone Point Capital, LLC, the principals of which have an interest in SP OLH Holdings, LLC, a minority owner of Oak Leaf Holdings, LLC. Shade Tree Advisors is wholly owned by Oak Leaf Holdings, LLC. We therefore have a conflict of interest.

We also revised our disclosure in Item 11 under "Participation or Interest in Client Transactions" to clarify that as noted in Item 6 above, as special profits interest member of our two affordable housing funds, we will receive performance-based compensation as well as one-time securitization incentive fees. Consequently, a conflict of interest exists. We also reiterated that, one or more of the other Funds in which you may be solicited to invest are owned by Stone Point Capital, LLC, the principals of which have an interest in SP OLH Holdings, LLC, a minority owner of Oak Leaf Holdings, LLC.

Finally, in Item 15 under Private Investment Companies, we revised our disclosure to clarify that as noted above, we are the sponsor and managing member (or equivalent) of the ST Community Housing Investment Partners I, LLC Fund, and we are the majority owner of ST CHIP Investors LLC. Certain employees of Shade Tree have the remaining minority ownership of ST CHIP Investors. Consequently, we have an incentive to recommend the Fund over other investments and this creates a conflict of interest.

In our capacity as (or with the) manager, administrator and special profits interest members of the Funds, we will have access to the Funds' cash and securities, and, by extension, the cash and securities of our clients that have invested in the Funds. Therefore we have custody over such funds and securities. The assets of the Funds will be included in the surprise annual audit performed with respect to other assets that we have custody over. If you are a Fund investor and have questions regarding the Fund, contact us directly at the telephone number on the cover page of this brochure.

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Item 4 Advisory Business

Description of Firm

Shade Tree Advisors LLC is a registered investment adviser based in Saratoga Springs, New York. We are organized as a limited liability company ("LLC") under the laws of the State of New York. We have been providing investment advisory services since 2017. We are wholly owned by Oak Leaf Holdings, LLC.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Shade Tree Advisors and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

FAMILY OFFICE WEALTH PLANNING SERVICES

Our firm primarily offers Family Office Wealth Planning Services directed towards high-net-worth clients designed to help our clients organize their financial situation and plan for the successful transfer of wealth to the next generation in the most tax-advantaged manner. Such Family Office Wealth Planning Services generally include financial planning in the following areas:

- Family Continuity
- Estate Planning
- Integrated Tax and Financial Planning
- Tax Preparation
- Family Philanthropy
- Risk Management
- Bill Paying

As part of this service, we will develop a personalized plan for each client designed to help guide us in reaching your financial goals and objectives. The process varies for each client as it is based on the client's individual needs and financial circumstances. Additionally, in conjunction with Family Office Wealth Planning Services our firm also offers the following additional services listed below as may be requested by you.

• Financial Planning

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for Integrated Wealth Management, financial planning will be included. However, you are also free to engage us separately for stand-alone financial planning without any additional services. In either case, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. After we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

- **Portfolio Management Services**

We offer non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. If you retain our firm for portfolio management, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our wealth management services, we will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives and/or we may invest your assets according to one or more model portfolios. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will periodically recommend rebalancing the portfolio as required by, among other things, changes in market conditions and in your financial circumstances.

We also offer discretionary portfolio management services which will incorporate asset allocation-based strategies using Exchange Traded Funds and mutual funds that will be managed on an account by account basis to the agreed upon strategy at the onset of the investment advisory relationship. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

- **Selection of Other Advisers**

As part of our investment advisory services, we may recommend that you use the services of a third-party money manager ("MM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

- **Asset Allocation Service**

We offer asset allocation services that are tailored to meet our clients' needs and investment objectives. Once you have retained our firm for asset allocation services, we will gather information about your financial situation and objectives, and assist you in determining your investment goals, objectives, risk tolerance, and retirement plan time horizon. We will initially provide you with recommendations as to how to allocate your investments among categories of assets. We will then review your account on a periodic basis. Where appropriate, we may provide you with recommendations to change your asset allocation in an effort to remain consistent with your stated financial objectives. You are free at all times to accept or reject any of our investment recommendations. You are solely responsible for implementing our recommendations. Unless you separately retain our services, we will not execute any transactions or changes in asset allocation on your behalf.

Chief Investment Officer Service

Shade Tree Advisers also offers a non-discretionary Chief Investment Officer (CIO) service under a consulting arrangement. We will not execute any trades for the clients under this agreement. We will analyze your portfolio and assist with performing the due diligence for various types of investments.

Types of Investments

We offer advice on all types of securities and do not necessarily limit the types of investments that we recommend or provide advice on. We may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from an ERISA account to an account that we manage or provide investment advice to, because the assets increase our Assets Under Management and, in turn, our advisory fees. In contrast, we receive less, or no, compensation if assets remain in the current plan or are rolled over to another Company's plan in which you may participate.

Assets Under Management

As of December 31, 2023, we provide continuous management services for \$794,714,403 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

FAMILY OFFICE WEALTH PLANNING SERVICES

We charge an annual fixed fee for our Family Office Wealth Planning Services. Our fees are normally paid quarterly in advance or arrears but, depending on the circumstances negotiated in the final agreement, other arrangements can be made. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. Our fee generally ranges between \$40,000 and \$700,000 and is negotiable depending upon the complexity and scope of the services, your financial situation, and your objectives.

This fee is subject to an annual increase on December 31st (in some instances after the first full year of service), based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for All Items (as published by the Federal Reserve Bank of St. Louis) or 3% - 4% (as stipulated in the client contract), whichever is greater. Depending on the arrangements made at the inception of the engagement, we may alternatively agree to base the increase only on the CPI-U.

You may terminate your agreement upon 30 days written notice to our firm. Depending on the arrangements made at the inception of the engagement, we may require written notice of at least 90 days in some instances. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Portfolio Management Services

Fees for our portfolio management services will either be an annual fixed fee or based on a percentage of the assets in your account and ranges from 0.10% to 1.00%. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Our fee is billed and payable quarterly, in arrears.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro-rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid

directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Selection of Other Advisers

Advisory fees charged by MMs are separate and apart from our advisory fees. Advisory fees that you pay to the MM are established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. You should review the recommended MM's brochure and take into consideration the MM's fees along with our fees to determine the total amount of fees associated with this program. In some cases, we may share in the advisory fee you pay directly to the MM.

You may be required to sign an agreement directly with the recommended MM(s). You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the MM.

Chief Investment Officer Service

The fee for our Chief Investment Officer service will either be an annual fixed fee or based on a percentage of the assets we are overseeing and ranges from 0.10% to 1.00%. Assets within the entire portfolio we are overseeing are included in the fee assessment unless specifically identified in writing for exclusion. Our fee is billed and payable quarterly, in arrears.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or

custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

Except as noted below, we do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

As special profits interest member of our two affordable housing funds, ST Community Housing Investment Partners I, LLC ("ST CHIP") and Community Housing Investment Partners Fund II LLC ("CHIP II"), we will receive performance-based compensation in the form of a percentage of the distributions (or cash flows) to the members (i.e., a "profit share"), as well as one-time securitization incentive fees upon a successful Tax-Exempt Bond Securitization.

Consequently, a conflict of interest exists since we have an incentive to recommend these Funds over other investments. However, as a fiduciary, we are required to put the interests of our clients ahead of our own interests. For more information, see Item 11 below (*Participation or Interest in Client Transactions*) and the relevant offering documents.

Item 7 Types of Clients

We offer investment advisory services to individuals, high-net-worth individuals and pooled investment vehicles.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

For our Portfolio Management Service, we require a minimum relationship fee of \$5,000.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Modern Portfolio Theory - A theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short Sales - Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

Risks: Short selling is very risky. Investors should exercise extreme caution before short selling is implemented. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero.

A short seller has to undertake to pay the earnings on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.

Additionally, margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period.

Finally, investors should be aware that certain shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have "hard-to-borrow" fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance, and may be substantial.

Option Writing - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired or are nearing retirement.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Government Bonds: Government bonds are issued by the U.S. Treasury and backed by the full faith and credit of the U.S. government. They include intermediate- and long-term Treasury bonds. Intermediate-term bonds mature in three to 10 years, whereas long-term bonds generally mature in 10 to 30 years. Among the lowest risk of all bond investments, these bonds have low credit risk because they are backed by the full faith and credit of the U.S. government. A government bond does present market risk if sold prior to maturity, and also carries some inflation risk — the risk that its comparatively lower return will not keep pace with inflation.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government, but it is also possible for the rate of inflation to exceed the returns.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on

mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Private Funds: A private fund (nonpublic offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission. Private funds generally carry a higher degree of risk due to illiquidity. Most investments in private funds must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

Warrants: A warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security – normally an equity – at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price. Warrants that confer the right to buy a security are known as call warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.

- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Derivatives: Derivatives are types of investments where the investor does not own the underlying asset. There are many different types of derivative instruments, including, but not limited to, options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors typically use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. The key to making a sound investment is to fully understand the characteristics and risks associated with the derivative, including, but not limited to counterparty, underlying asset, price, and expiration risks. The use of a derivative only makes sense if the investor is fully aware of the risks and understands the impact of the investment within a portfolio strategy. Due to the variety of available derivatives and the range of potential risks, a detailed explanation of derivatives is beyond the scope of this disclosure.

Structured Products: A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to

maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

Futures: Futures are financial contracts obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. The primary difference between options and futures is that options give the holder the *right* to buy or sell the underlying asset at expiration, while the holder of a futures contract is *obligated* to fulfill the terms of his/her contract. Buyers and sellers in the futures market primarily enter into futures contracts to hedge risk or speculate rather than to exchange physical goods. Futures are not only for speculating. They may be used for hedging or may be a more efficient instrument to trade than the underlying asset.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Affiliated Trust Company

We are affiliated with Shade Tree Trust Company ("STTC") via common control and ownership. STTC was formed in January 2020 and will serve as trustee for select clientele. Any client who utilizes the trustee services will have a separate trustee agreement with STTC. The fees will vary depending on the trust and can be either a fixed fee or a basis point (percentage) fee calculated using the overall value of the assets within the trust. This presents a conflict of interest since we have a financial incentive to recommend the services of STTC. You are under no obligation to use the services of any affiliated company we may recommend.

Recommendation of Other Advisers

We may recommend that you use a third-party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

Manager of Pooled Investment Vehicle

We are the owner of ST CHIP Investors, LLC. Shade Tree Advisors LLC, along with ST CHIP Investors, LLC are the sponsor, general partner, managing member (or equivalent) of the ST Community Housing Investment Partners I, LLC Fund, ("the Fund" and collectively "the Funds"), a feeder fund for the R4 Tax Exempt Housing Partners, LLC master fund. You may be solicited to invest in the ST Community Housing Investment Partners I, LLC Fund. ST CHIP Investors, LLC is a special profits interest member of the Fund and, in light of that and the ownership structure, a conflict of interest exists in that we have a financial incentive to recommend the Fund to you. However, as a fiduciary, we are obligated to act only in our clients' best interests and, therefore, we only recommend the Fund when we deem it suitable for the client.

Additionally, we are the majority owner of Oak Point Capital, LLC ("Oak Point") and CHIP II Investors, LLC ("CHIP II Investors"). Oak Point and CHIP II Investors are the manager and general partner, respectively, of the Community Housing Investment Partners II, LLC (the "Fund" and collectively "the Funds"), a private pooled investment vehicle in which you may also be solicited to invest. CHIP II Investors is a special profits interest member of the Fund and, in light of that and the ownership structure, a conflict of interest exists.

Other Financial Industry Relationships

When we recommend that you invest in certain private funds be aware that Shade Tree Advisors will charge an investment management fee on the position as it will be included as part of your total portfolio on which we base our fee. We do not earn any compensation from the Funds themselves.

As noted in Item 6 above, as special profits interest member of our two affordable housing funds, ST Community Housing Investment Partners I, LLC ("ST CHIP") and Community Housing Investment Partners Fund II LLC ("CHIP II"), we will receive performance-based compensation in the form of a percentage of the distributions (or cash flows) to the members (i.e., a "profit share"), as well as one-time securitization incentive fees upon a successful Tax-Exempt Bond Securitization. Consequently, a conflict of interest exists since we have an incentive to recommend these Funds over other investments. However, as a fiduciary, we are required to put the interests of our clients ahead of our own interests.

Additionally, you should be aware that one or more of the other Funds in which you may be solicited to invest are owned by one or more clients of Shade Tree Advisors. We therefore have a conflict of interest since we have an incentive to help our clients obtain investors for their Funds. Nevertheless, as a fiduciary, we are required to act in our clients' best interests and we believe this investment aligns with your investment objectives. For more information please see the relevant offering documents.

You should also be aware that one or more of the other Funds in which you may be solicited to invest are owned by Stone Point Capital, LLC, the principals of which have an interest in SP OLH Holdings, LLC, a minority owner of Oak Leaf Holdings, LLC. Shade Tree Advisors is wholly owned by Oak Leaf Holdings, LLC. We therefore have a conflict of interest since we have an incentive to recommend these Funds to you. Nevertheless, as a fiduciary, we are required to act in our clients' best interests and we believe this investment aligns with your investment objectives. For more information please see the relevant offering documents.

Other Affiliated Businesses

We also own STA Tech Investors LLC which invests in a software/technology company that we utilize for data aggregation services. We also use this software for our bill pay service and to assist in the creation of various reports for our clients. There is no conflict of interest and we do not solicit any investors for this company.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required

to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

As noted in Item 6 above, as special profits interest member of our two affordable housing funds, ST Community Housing Investment Partners I, LLC ("ST CHIP") and Community Housing Investment Partners Fund II LLC ("CHIP II"), we will receive performance-based compensation in the form of a percentage of the distributions (or cash flows) to the members (i.e., a "profit share"), as well as one-time securitization incentive fees upon a successful Tax-Exempt Bond Securitization. Consequently, a conflict of interest exists since we have an incentive to recommend these Funds over other investments. However, as a fiduciary, we are required to put the interests of our clients ahead of our own interests.

Additionally, you should be aware that one or more of the other Funds in which you may be solicited to invest are owned by one or more clients of Shade Tree Advisors. We therefore have a conflict of interest since we have an incentive to help our clients obtain investors for their Funds. Nevertheless, as a fiduciary, we are required to act in our clients' best interests and we believe this investment aligns with your investment objectives. For more information please see the relevant offering documents.

You should also be aware that one or more of the other Funds in which you may be solicited to invest are owned by Stone Point Capital, LLC, the principals of which have an interest in SP OLH Holdings, LLC, a minority owner of Oak Leaf Holdings, LLC. Shade Tree Advisors is wholly owned by Oak Leaf Holdings, LLC. We therefore have a conflict of interest since we have an incentive to recommend these Funds to you. Nevertheless, as a fiduciary, we are required to act in our clients' best interests and we believe this investment aligns with your investment objectives. For more information please see the relevant offering documents.

For more information see Item 15 below under *Private Investment Companies*.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of various custodians/broker-dealers (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.

- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firms. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Among the broker-dealers we may recommend is Schwab Advisor Services (formerly called Schwab Institutional) Schwab Advisor Services ("Schwab") is Schwab's business serving independent investment advisory firms like us. Schwab provides us with certain benefits such as trading, custody, reporting and related services (many of which are not typically available to Schwab retail customers) once the value of our clients' assets in accounts held at Schwab reaches a certain level. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

Services that Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. Because we have to maintain a certain amount of assets on Schwab's platform to be entitled to some of these benefits, this may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We typically do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients. When trading within our model portfolios, we will aggregate client transactions.

Item 13 Review of Accounts

Bridget Horan, Chief Compliance Officer of Shade Tree Advisors, LLC will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with regular reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Additionally, for Bill Pay accounts, we will send a quarterly "Payment Activity Report" for clients to review their quarterly activity and to provide them the ability to compare against custodian statements.

Item 14 Client Referrals and Other Compensation

We do not compensate any individual or firm for client referrals.

We have entered into an agreement with Banc of California whereby they will provide our firm with an earnings credit based on the amount of our clients' balances on deposit with the bank. The credit initially offsets transactions fees in client accounts, and the remainder is paid directly to Eton Solutions, LP (the third-party bill paying service we use) against our licensing fees under an arrangement that the Banc of California has with Eton for Eton users. This creates a conflict of interest since we have an incentive to use Banc of California for our clients versus another financial institution that might not offer such credits. However, we believe any costs to our clients are fair and reasonable when compared against other custodians offering similar services, and we believe that the arrangement improves our bill pay efficiency and security and is therefore ultimately in our clients' best interests. We will, however, periodically review this arrangement to ensure it remains in our clients' best interests.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

Those clients that we manage portfolios for will have the fees for the payment of our advisory services directly debited from their account through the independent custodian where the account is maintained. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. Except as otherwise noted below, we do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from

your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We are not affiliated with the custodian. The custodian does not supervise our firm, its agents or activities.

Trustee Services

One or more investment adviser representatives ("IARs") of Shade Tree Advisors, may serve as trustee to certain accounts for which we provide investment advisory services. In that event, those IARs' capacity as trustee will cause our firm to have custody over the advisory accounts for which the individual(s) serves as trustee. These accounts will be held with a bank, broker-dealer, or other qualified custodian. If Shade Tree Advisors acts as trustee for any of your advisory accounts, you will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy.

Wire Transfer and/or Check-Writing Authority

Our firm or persons associated with our firm may effect third party wire transfers for client accounts without client written consent per transaction or we may have signatory and check writing authority for client accounts. An adviser with authority to conduct unauthorized third-party wire transfers or to sign checks on a client's behalf has access to the client's assets, and therefore has custody of the clients assets in any related accounts.

Private Investment Companies

As noted above, we are the sponsor and managing member (or equivalent) of the ST Community Housing Investment Partners I, LLC Fund, (the "Fund") a private pooled investment vehicle for which you may be solicited to invest. We are the majority owner of ST CHIP Investors LLC ("ST CHIP Investors"), general partner and the special profits interest member to the Fund. Certain employees of Shade Tree have the remaining minority ownership of ST CHIP Investors. Consequently, we have an incentive to recommend the Fund over other investments and this creates a conflict of interest.

We are also affiliated with the manager and general partner of the Community Housing Investment Partners II, LLC (the "Fund" and collectively "the Funds"), a private pooled investment vehicle for which you may be solicited to invest. Additionally, persons affiliated with our firm may have made an investment in the Funds. Consequently, we have an incentive to recommend the Funds over other investments and this creates a conflict of interest.

We may, in some cases solicit certain clients to invest in either of the Funds or, through our discretionary authority, we may choose to invest certain clients in either of the Funds. The Funds are only offered to certain sophisticated investors, and/or those who meet certain requirements under applicable state and/or federal securities laws. Because of the management and ownership structures noted above, while recommending that clients invest in the Fund, a conflict of interest exists. Additionally, certain clients of Shade Tree Trust Company (STTC) are invested in either or both of the Funds. In order to mitigate or eliminate conflicts related to STTC, the South Dakota Trust Company investment board will make investment decisions where a conflict of interest exists.

Investors to whom either of the Funds are offered will receive a subscription agreement that discloses the risks of the Fund and other offering documents. The fees charged by the Funds are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Funds.

In our capacity as (or with the) manager, administrator and special profits interest members of the Funds, we will have access to the Funds' cash and securities, and, by extension, the cash and securities of our clients that have invested in the Funds. Therefore we have custody over such funds

and securities. The assets of the Funds will be included in the surprise annual audit performed with respect to other assets that we have custody over. If you are a Fund investor and have questions regarding the Fund, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms. You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may conduct research and gather publicly available information regarding the corporate actions for you to assist you in making a decision regarding the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you when there is a change that occurs. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies, contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.