

Hanoverian Capital LLC

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This Brochure provides information about the qualifications and business practices of Hanoverian Capital LLC [“Hanoverian”]. If you have any questions about the contents of this Brochure, please contact us at 484.732.8633 or info@hanoveriancap.com. 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.

Hanoverian Capital LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Hanoverian Capital LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Hanoverian is 148538.

Item 2 – Material Changes

This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

With this annual ADV amendment, we are registering with the SEC and withdrawing from State registration. There are no other material changes to the Brochure.

Currently, our Brochure may be requested by contacting Kristen Voigtsberger, Chief Compliance Officer at 484.732.8633 or Kristen@HanoverianCap.com. Our Brochure is also available on our web site, also free of charge.

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Item 4 – Advisory Business

- Hanoverian Capital LLC (Hanoverian) is a certified woman owned and operated registered investment management firm formed under the laws of the Commonwealth of Pennsylvania. The firm was established in 2008. Sandra Yeager is the founder, portfolio manager and principal owner of Hanoverian.
- Hanoverian only offers one concentrated international market equity portfolio strategy for clients. The Hanoverian International Equity Product is a long only, concentrated portfolio of 20-40 non-U.S. stocks. The stocks will be found primarily in the MSCI EAFE Index Universe, and up to 10% may be larger capitalization stocks in the MSCI Emerging Market Index.
- Hanoverian does not tailor its advisory services except that clients may impose restrictions on investing in certain securities (e.g. businesses involved with Iran).
- Hanoverian does not participate in wrap fee programs.
- As of 12.31.2012, Hanoverian manages a total of \$118.0MM in client assets, \$108.6MM of which is discretionary.

Item 5 – Fees and Compensation

Hanoverian's basic fee schedule is generally as follows, although some clients may be offered a lower fee structure based on the total value of the account managed by Hanoverian:

Assets	Annual Fee
Up to \$10 Million	0.75%
Over \$10 Million	0.65%

Hanoverian's investment advisory fees are payable quarterly in arrears. The fee is based on a percentage of the market value of assets under management on the last business day of the previous quarter. Hanoverian will invoice the client directly for its advisory fees. Clients will not be entitled to refunds upon termination because fees are not paid in advance. Hanoverian does not charge a minimum annual fee but generally requires a minimum account size of \$1,000,000.

Other fees or expenses that clients may incur include custodian fees, brokerage fees and transaction fees. These typically will depend on the custodian selected and size of the account. Please see the section of this brochure that addresses brokerage for further information.

Hanoverian works exclusively on a percentage of assets under management basis and does not receive commissions from any source.

Hanoverian or the client may terminate the management agreement within five (5) days of the date of acceptance without penalty to the client. After the five-day period, either party, upon thirty (30) days' written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given, if applicable.

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

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

Item 7 – Types of Clients

Hanoverian generally manages accounts for institutional clients (such as retirement plans, foundations or trusts) and high-net worth individuals.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Both fundamental research and careful valuation drive investments in Hanoverian's bottom-up international equity strategy. Hanoverian analyzes over 3,000 non-US stocks (primarily stocks included in the MSCI EAFE universe) by fundamental measures and different valuation methodologies using its proprietary metrics and Bloomberg data. On

the fundamental side, Hanoverian screens stocks based on future earnings and cash flow growth, return on equity and financial strength. On the valuation side, Hanoverian looks at several methodologies, as Hanoverian strongly rejects the notion that any one valuation fits all stocks and all sectors. Hanoverian believes that it is imperative to use numerous valuation techniques as one methodology does not drive all stocks and all sectors in all cycles.

By combining the fundamental and valuation analysis with internal research and the portfolio manager(s) experienced judgment, a 100 Stock Focus List is created. For risk management purposes, at least five stocks must be represented in each of the ten Global Industry Classification Standard (GICS) sectors. In arriving at the 100 Stock Focus List, Hanoverian not only takes into account financial information but places a great deal of emphasis on the competitive advantage of each company and also the ability of management to execute properly.

Hanoverian then conducts additional research to narrow the stock focus list to fifty securities. This list is created based upon sector analysis, the study of corporate positions and competitive advantages, the ability of management to execute, the existence of catalysts as well as building individual stock models. This list of fifty stocks has at least three stocks represented in each of the ten GICS sectors.

The portfolio is constructed by investing in the 20-40 most attractive names for delivering the best growth for value. During market cycles where valuation spreads across sectors and across stocks are the widest, the portfolio may be more concentrated to take advantage of pricing opportunities. If valuation spreads are narrow, the portfolio may remain more diversified.

Investment Strategies

Hanoverian aims to create long-term capital appreciation through a concentrated international equity portfolio invested in stocks with good prospects for earnings and cash flow growth and with attractive valuations. Hanoverian believes that, in the long-term, stock prices will follow earnings and cash flow growth, but Hanoverian is extremely cognizant of the valuation it pays for the growth potential of any holding.

Stocks trade in various cycles depending upon current market participant expectations. Hanoverian seeks to add value by purchasing and selling stocks at what Hanoverian perceives to be the appropriate price within that cycle. Hanoverian believes that by maintaining a concentrated portfolio it will maximize outperformance over the long-term.

The portfolio manager(s) will focus on closely monitoring growth expectations and valuations for any stock in the portfolio. Hanoverian is not wedded to one style box, and believes that being flexible, as well as disciplined, in different market environments will enhance performance over the long-term. Our fundamental stock research and valuation work drive investments, not an index.

Hanoverian also believes that volatility in equity markets caused by short-term shifts in sentiment can create terrific opportunities to add value in the long-term. If a stock's fundamental earnings and cash flow outlook remain positive, but short-term sentiment has affected the stock price in a negative way, Hanoverian seeks to add to positions. Likewise, if a stock's price appears to have moved ahead of our expectations for earnings and cash flow, Hanoverian seeks to trim positions. Our portfolios will remain concentrated in strong fundamental stock stories, but core positions will vary in size overtime based on current prices and opportunities.

Sell Discipline

In deciding whether to sell a stock, Hanoverian seeks to adhere to the following three principles when selling positions

- 1) Price target attained.
- 2) Other stocks offer better potential risk/reward returns.
- 3) The underlying fundamentals for the stock have changed.

The last principle is the most difficult to recognize which is why Hanoverian strives to remain unbiased and very objective as it reviews the portfolio on a daily basis.

Risk Control

While the portfolio is concentrated and Hanoverian does not let the index drive our investments, Hanoverian does incorporate risk control management within the investment process. Hanoverian will strive to maintain a diversified portfolio with several sectors and countries represented. Hanoverian will also monitor the strategy's correlation to its benchmark index by following the ex-ante and ex post tracking errors on the portfolio on a monthly basis using Algorithmics Risk Management Software. Because the strategy involves non-US stocks, currency is an additional risk for US clients. Hanoverian strongly believes that for most developed countries, the currency impact on equity performance is

much less significant than individual stock factors. Therefore, Hanoverian does not passively hedge the index. Neither does Hanoverian actively trade currencies as its goal is to attain outperformance on a stock level. Hanoverian also strongly believes that the small currency risk inherent in owning foreign stocks adds to diversification benefits sought by US investors.

In addition to the risks associated with currency fluctuations, international investing may also involve risk of capital loss from differences in generally accepted accounting principles or from economic or political instability in other nations.

Item 9 – Disciplinary Information

- Neither Hanoverian nor any management persons has been involved in any criminal or civil action.
- Neither Hanoverian nor any management persons has been involved in any proceeding before the SEC or any other government agency.
- Neither Hanoverian nor any management persons has been involved in any proceeding before a self-regulatory organization.

Item 10 – Other Financial Industry Activities and Affiliations

Hanoverian and its management do not have any industry affiliations which would create a conflict of interest with our clients. Examples of such affiliations would be:

- Broker dealers
- Other investment firms
- Consulting firms
- Banks or thrifts

Hanoverian does not recommend or select other advisors for our clients.

Item 11 – Code of Ethics

Hanoverian has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on

insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Hanoverian must acknowledge the terms of the Code of Ethics annually, or as amended. Hanoverian will provide a copy of our Code of Ethics to any client or prospective client upon request.

Hanoverian believes that portfolio managers should have a significant amount of their net worth invested alongside our clients. Consequently, our managers will invest in the same securities as our clients. When purchasing or selling a security for clients' and managers' accounts, Hanoverian will utilize block trading if possible. In a block trade, each account receives the same trade price. If a block trade is not possible, clients' accounts are traded before managers' account.

Item 12 – Brokerage Practices

Seeking the best trade execution is an important aspect of every trade that Hanoverian places. We consider the following factors when placing trades with a particular broker:

Quality of overall execution services

Trading ability on an international basis

Quality, depth and effectiveness of investment research

Creditworthiness, business reputation and reliability

Promptness and accuracy of execution reports and confirmation statements

Efficient clearance and settlement of trades

Any specialized expertise in executing trades for a particular security

Commission rates

Hanoverian receives soft dollar benefits from broker-dealers in the form of proprietary research. This may result in a conflict of interest because (a) the transaction may benefit Hanoverian because the use of client commissions may relieve us of having to pay for or produce those research services ourselves and (b) Hanoverian may have an incentive to select a broker-dealer based on our interest in receiving research, rather than on the clients' interest in receiving most favorable commission rates. When selecting brokers for execution of client transactions, Hanoverian makes a good faith determination that the amount of commission to be charged to the client is reasonable in relation to the value of the brokerage and research services provided by the executing broker. Hanoverian uses these research services to service all of its accounts and not just the accounts whose transactions paid for the research services.

Any soft dollar research obtained by Hanoverian is research that the firm considers necessary to carry out its investment decision-making responsibilities in tandem with Hanoverian's policy of acting in the best interest of its clients. When selecting brokers for execution of client transactions, Hanoverian makes a good faith determination that the amount of commission to be charged to the client is reasonable in relation to the value of the brokerage and research services provided by the executing broker. Hanoverian only obtains research by soft dollars as permitted under the safe harbor of Section 28(e) of the Exchange Act.

Research obtained by the use of commissions will generally benefit all clients of the firm and are not used to the exclusive benefit of any one client. As a fiduciary, Hanoverian has an obligation to obtain best execution for all clients, consequently no allocation for soft dollar payments shall be made unless best execution of the transaction is reasonably expected to be obtained. We use an internal allocation procedure to identify those brokers who provide us with research services and direct sufficient transactions to them to ensure the continued offering of the research.

We use soft dollar arrangements to obtain a wide range of proprietary research including: written information and analyses concerning specific securities, companies or sectors; financial and economic studies and forecasts; as well as discussions with research personnel and meetings with senior management of companies whose securities are held or may be held in client accounts. These soft dollar arrangements are designed to augment our own internal research and investment strategy capabilities.

We use an internal allocation procedure to identify those brokers who provide us with research services and direct sufficient transactions to them to ensure the continued offering of the research. Hanoverian does not use soft dollars for any service or goods other than research.

Hanoverian does not receive client referrals from any broker-dealer.

Clients are permitted to direct brokerage. When a client chooses a particular broker-dealer, it may cost more money than another broker-dealer. This can take the form of higher transaction costs, since trades cannot be aggregated with other accounts'. Prices will also vary from other clients' and may be less favorable.

Item 13 – Review of Accounts

Investment models and capital markets are monitored on a continuous basis. Clients' account asset and country exposure levels are monitored by the portfolio manager nearly every day.

Clients receive monthly statements and trade confirmations directly from their custodian; as well, they may access account information at any time via the internet. These statements report all transactions for the period and show the client's current holdings. Hanoverian provides additional written reports to clients on a quarterly basis. These reports may include a detailed holdings report, asset allocation summary, and performance review. Additionally, gain/loss reports may be provided annually.

Item 14 – Client Referrals and Other Compensation

Hanoverian does not compensate any person or entity for client referrals.

Item 15 – Custody

Hanoverian Capital technically may have custody of certain clients' funds, but only to the extent that a client wishes advisory fees to be directly debited from his/her investment account. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Hanoverian urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Hanoverian usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Hanoverian observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Hanoverian in writing.

Item 17 – Voting *Client* Securities

Hanoverian will vote proxies for its clients unless that right is reserved by the client. A client may direct Hanoverian to vote in a particular way. If any conflict of interest should arise between Hanoverian and a client, the client's interests will always supersede Hanoverian's. Clients may obtain a copy of Hanoverian's proxy voting policy or a record of how Hanoverian voted with regard to their securities by requesting such.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Hanoverian's financial condition. Hanoverian has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19

Executive Officers/Management Persons:

**Sandra Yeager, President and CIO of Hanoverian Capital LLC.
D.O.B. April 13, 1964**

Sandra is head portfolio manager for the Hanoverian International Product. Before founding Hanoverian Capital, Sandra was Managing Director, Head of International and Emerging Market Equity Investments at DuPont Capital Management. She served as a Member of the Investment Committee and the Business Committee and was the senior portfolio manager for \$4B of institutional funds.

Prior to DuPont, Sandra was Managing Director, Head of Global Research (global research included 30 analysts) and Senior Global Portfolio Manager at Morgan Stanley Investment Management in New York and London. She served as a member of the Investment Management Committee and was the senior portfolio manager for over \$2B of institutional funds.

Before Morgan Stanley, Sandra spent 14 years at Alliance Capital in New York. At Alliance she served as Associate Director of Global Research, Senior Vice President and Global Portfolio Manager and was responsible for all aspects of management, supervision, marketing and operations of all institutional portfolios managed within the Research Department (approximately \$6B of assets at that time.) Her roles included the supervision of eight analyst managers, sector allocation for all global funds and personally managing all customized benchmark portfolios.

Sandra holds an MBA from Harvard Business School and an AB from Wellesley College, cum laude, in both Mathematics and English. Sandra is a member of the Alumnae Association Board at Wellesley College and serves as Alumnae Annual Giving Chairman for the College. She is also a member of the Financial Women's Association and the Economic Club of New York.

Additional information about Sandra Yeager is available on the SEC's website at www.adviserinfo.sec.gov.

Kristen E. Voigtsberger, Chief Compliance Officer

D.O.B. 1-1-1964

Kristen serves as Hanoverian Capital's Chief Compliance Officer, Manager of Operations and Client Liaisons. Her principle duties are to work with, supervise, monitor and review all operations with our back and middle office service providers; and to handle all client needs and inquiries, amongst other duties. Kristen has over 20 years of experience in investment management in all aspects of back and mid office operations and compliance management.

Prior to joining Hanoverian Capital, she spent 5 years with West Chester Capital Advisors and was responsible for the oversight of all the firm's daily operational activities, as well as serving as Vice President of Compliance.

Prior to the above, Kristen was the Director of Operations for Leuthold & Anderson in Minneapolis and served as a Vice President for the Leuthold Core Investment Fund. She was responsible for all areas of trading, including long and short equities, domestic and foreign securities and bonds.

Kristen graduated from Pennsylvania State University and holds a BA in Russian Language and Soviet Area Studies. She is a member of NASP – Nat'l Association of Securities Professionals.