



**HC CAPITAL PARTNERS, LLC**

**PART 2A of FORM ADV**

**BROCHURE**

**FIVE TOWER BRIDGE**

**300 BARR HARBOR DRIVE, SUITE 500**

**WEST CONSHOHOCKEN, PA 19428**

**UPDATED: March 31, 2014**

This brochure provides information about the qualifications and business practices of HC Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 1-800-242-9596 or [compliancegroup@hirtlecallaghan.com](mailto:compliancegroup@hirtlecallaghan.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Please note that registration with the SEC does not imply a certain level of skill or training.

Additional information about HC Capital Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## MATERIAL CHANGES

HC Capital Partners, LLC (“HC Capital”) continues to conduct its business activities and provide investment management services in substantially the same manner as described in HC Capital’s last brochure, which was made in March 2013. HC Capital’s business activities and investment management services have not materially changed since that time. This brochure reflects minor word level changes and asset updates that do not create a material change from brochures used by HC Capital in prior years.

In 2013, HC Capital registered with the United States Commodity Futures Trading Commission and became a member of the National Futures Association. This is discussed more fully later in this brochure in the item “Other Financial Industry Activities and Affiliations”.

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## ADVISORY BUSINESS

HC Capital, a Delaware limited liability company, was formed in March 2009 and is a wholly-owned subsidiary of Hirtle, Callaghan & Co., LLC (“Hirtle Callaghan”). HC Capital serves as the investment manager to various private investment pools (individually a “Private Fund” and collectively the “Private Funds”), under an investment management agreement (the “Management Agreement”) with each Private Fund.

In accordance with the Management Agreement with each Private Fund, HC Capital has the power to invest and reinvest assets, subject to any restrictions identified in each such Private Fund’s offering documents, and as approved by the Hirtle Callaghan Investment Policy Committee.

As of December 31, 2013, HC Capital managed approximately \$126,300,000 on a discretionary basis. Jonathan Hirtle is the principal member of Hirtle Callaghan Holdings, Inc., which is the principal member of Hirtle Callaghan, which is the principal member of HC Capital.

## FEES AND COMPENSATION

HC Capital does not receive an advisory fee for services provided to any Private Fund. Investors in a Private Fund who are no longer clients of Hirtle Callaghan at the end of any calendar quarter, however, are required to pay directly to HC Capital (or to a related person), as the investment manager, a maximum quarterly management fee for such quarter in arrears equal to one fourth of one percent (0.25%) of such investor's total capital commitment, or one fourth of one percent (0.25%) of such investor's capital account value, dependent on the Private Fund, payable within 10 or 30 days, as applicable, after the end of the applicable calendar quarter.

HC Capital’s fee does not include the fees or expenses of each Private Fund, including, but not limited to, custody, audit, and legal expenses, nor does it include the fees and expenses of the underlying investment vehicles in which the Private Funds invest (the “Underlying Private Funds”), including, but not limited to, brokerage and other transaction costs. All such fees and expenses are borne directly or indirectly by the Private Fund. HC Capital’s brokerage practices are discussed more fully later in this brochure in the item entitled “Brokerage Practices.”

In certain Private Funds, as disclosed in each such Private Fund’s offering documents, an investor that is not otherwise a client of Hirtle Callaghan at the time of its investment in the Private Fund will be subject to a profit sharing arrangement with HC Capital pursuant to which ten percent (10%) of all amounts otherwise distributable to the investor after the return of all of its contributed capital will be distributed instead to HC Capital (or to a related person) (such 10% distribution, the “Profit Sharing Distribution”). Such Profit Sharing Distribution will be held in escrow and distributed in accordance with the applicable Private Fund’s offering documents. HC Capital, or a related person, in their discretion, may waive in whole or in part the management fee (discussed above) and/or Profit Sharing Distribution of any investor subject thereto. To date, none of the Private Funds has charged a performance-based fee.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Private Funds do not charge performance-based fees. Notwithstanding, the Private Funds may indirectly bear expenses associated with performance fee compensation arrangements in connection with investments in the Underlying Private Funds but these arrangements do not result in the receipt by HC Capital, a related person, or any of their employees of performance or incentive compensation. In addition, as each of the Private Funds has the same fee structure, there is no incentive for HC Capital, a related person, or any of their employees to favor one of the Private Funds over another.

## **TYPES OF CLIENTS**

As stated above, the clients of HC Capital are the Private Funds.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

HC Capital shall cause the Private Funds to be invested in accordance with the objectives and guidelines set forth in each such Private Fund's offering documents. Private Fund investments, including the Underlying Private Funds, can involve certain risks that the Private Funds should be prepared to bear. These risks include the fact that it may be difficult to correctly value the investments in the Underlying Private Funds and that investments in the Underlying Private Funds may be illiquid. Because the Private Funds are generally designed to invest in other pooled vehicles, the Private Funds may bear higher expenses due to the layered nature of the investment.

## **DISCIPLINARY INFORMATION**

HC Capital has not been involved in any legal or disciplinary events that would be material to a client's evaluation of HC Capital.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The professional relationship between HC Capital and Hirtle Callaghan is material to HC Capital's business. HC Capital, as the investment manager to the Private Funds, may potentially invest in the same Underlying Private Funds which Hirtle Callaghan, as the investment manager and/or general partner to various private investment pools, may also invest. The Investment Policy Committee of Hirtle Callaghan approves all such investments of HC Capital and Hirtle Callaghan. HC Capital strives, however, to maintain objectivity and independence in the selection and oversight of the Underlying Private Funds and does not participate in any relationship pursuant to which it receives referral or similar fees from any financial services, advisory, or brokerage firm, including any Underlying Private Fund.

Moreover, both HC Capital and Hirtle Callaghan are registered with the United States Commodity Futures Trading Commission (the "CFTC") and are members of the National Futures Association. Furthermore, in conjunction with their CFTC registration, various management persons of HC Capital

and Hirtle Callaghan are registered as “associated persons” as defined in the Commodity Exchange Act and the CFTC rules promulgated thereunder.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

HC Capital is committed to maintaining the highest standards of ethical dealing and integrity with each of the Private Funds. In furtherance of this objective, and in accordance with Rule 204A-1, under the Investment Advisers Act of 1940, HC Capital has adopted a code of ethics (“Integrity Policy”) that prescribes standards of conduct to which each of its directors and officers must adhere and also requires periodic reporting of personal securities transactions and securities accounts.

The reporting and review procedures prescribed by the Integrity Policy, as it may be amended from time to time, are also designed to comply with the requirements imposed on HC Capital under various other provisions of the Federal securities laws, and have been formulated in light of the specialized nature of the investment management services that HC Capital provides to the Private Funds. HC Capital will provide a copy of the Integrity Policy to any client or prospective client, upon request.

As described above, HC Capital, its related persons, and their officers, employees, and directors may also be investors in the Private Funds. To the extent that HC Capital, its related persons, or any of their officers, employees, or directors is an investor in any Private Fund, each shares in any gains or losses equally with all other investors.

Moreover, as also described above, HC Capital, as the investment manager to the Private Funds, may potentially invest in the same Underlying Private Funds which Hirtle Callaghan, as the investment manager and/or general partner to various private investment pools, may also invest. The Investment Policy Committee of Hirtle Callaghan approves all such investments of HC Capital and Hirtle Callaghan. HC Capital strives to maintain objectivity and independence in the selection and oversight of the Underlying Private Funds and does not participate in any relationship pursuant to which it receives referral or similar fees from any financial services, advisory or brokerage firm, including any Underlying Private Fund.

## **BROKERAGE PRACTICES**

As described above, HC Capital primarily invests in Underlying Private Funds. The Underlying Private Funds generally determine the amount and frequency of brokerage transactions, if any, and decide where to conduct the brokerage business. Each Private Fund’s investment program may also include specialist managers that control segregated accounts and funds, each with a different management style, such that there may be a widely varying turnover rate and a widely varying commission rate among such managers and funds. With respect to any direct investments by a Private Fund, HC Capital will have sole discretion to select brokers and negotiate commission rates.

In selecting brokers and dealers through which to effect securities transactions, HC Capital seeks to direct transactions to broker-dealers who will ensure that clients receive “best execution” on the transaction. In addition, HC Capital also takes into account factors such as the size of the order, the difficulty of execution and the operational facilities of the firm involved. Transactions involving debt

securities are normally effected on a net basis and do not involve payment of brokerage commissions, although the price of the security usually includes a profit to the dealer.

Further, the opportunity to aggregate the purchase or sale of securities by the Private Funds does not generally arise as each Private Fund is a fund of funds that invests in different Underlying Private Funds with different strategies.

## **REVIEW OF ACCOUNTS**

As described above, HC Capital serves as the investment manager to the Private Funds and as such, it supervises the Private Funds and the Underlying Private Funds on an ongoing basis.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

HC Capital does not directly or indirectly compensate any person for client referrals.

## **CUSTODY**

Custody of all assets in the Private Funds is maintained by a banking institution (“Custodian Bank”) pursuant to a written agreement between each Private Fund and the Custodian Bank. Under each such agreement, the Custodian Bank is required to provide, each quarter and directly to the investors in each Private Fund, a statement identifying all transactions and holdings in the Private Fund during the quarter. In addition, HC Capital (or a related person) also receives a copy of all such statements. Moreover, audited financial statements are sent to investors in the Private Funds annually within 180 days of the close of the Private Fund’s fiscal year.

## **INVESTMENT DISCRETION**

As described above, HC Capital serves as the investment manager to the Private Funds and pursuant to the Management Agreement with each Private Fund, HC Capital has full investment discretion to invest in accordance with each Private Fund’s offering documents.

## **VOTING CLIENT SECURITIES**

HC Capital has adopted written proxy voting policies, pursuant to which it exercises voting authority on behalf of the Private Funds in a manner believed to maximize the economic value of each Private Fund. Notwithstanding, HC Capital, as the investment manager to the Private Funds, primarily invests in the Underlying Private Funds which maintain the responsibility for proxy voting of the securities.

## **FINANCIAL INFORMATION**

HC Capital does not believe that there are any financial conditions reasonably likely to impair its ability to meet its contractual commitments to the Private Funds.