

**FORM ADV PART 2A–FIRM BROCHURE**

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**January 2, 2015**

**This Brochure provides information about the qualifications and business practices of Broadmeadow Capital. If you have any questions about the contents of this Brochure, please contact us at 312.224.8150. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Broadmeadow Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Broadmeadow Capital is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

As a newly registered investment adviser, this is Broadmeadow Capital, LLC's ("Broadmeadow") initial Brochure. Accordingly, Broadmeadow does not have any material changes to report.

In the future, if the information in this Brochure materially changes from the prior update, we will highlight and summarize those changes here, in this section. In addition, we will provide ongoing disclosure of material changes to the information in this Brochure as required by applicable rules.

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## **Item 4. Advisory Business**

### **Firm Description**

Broadmeadow Capital, LLC (“Broadmeadow” or “Firm”) is an SEC-registered investment adviser based in Chicago, Illinois. The Firm is organized as a Delaware limited liability company. The Firm was organized in 2014 but just recently registered with the SEC. Broadmeadow is 100% owned by Cedar Capital, LLC (“Cedar Capital”), which is 100% owned by Cedar Capital Investments Holdings, LLC (“Cedar Holdings”) Broadmeadow is part of the Cedar group of companies (“Cedar Capital Group”) which includes Cedar Capital and affiliates and which offers access to a variety of investment products.

Broadmeadow focuses on quantitative approaches to alternative investment strategies. Broadmeadow offers tactical allocation and enhanced beta strategies. Broadmeadow currently offers five different investment strategies.

Broadmeadow Global Allocation

Broadmeadow Global Tactical All-Asset

Broadmeadow Enhanced Global Equity

Broadmeadow Enhanced Global Fixed Income

Broadmeadow Enhanced Global Commodity

### **Private Funds and Registered Investment Companies**

Broadmeadow will offer its investment strategies through private funds, including Broadmeadow Global Allocation, L.P. (each, a “Private Fund”). In the future, Broadmeadow may serve as the investment adviser to investment companies registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”) (together, the “Registered Funds”). Broadmeadow will manage the assets of the Registered Funds in accordance with investment objectives, policies and restrictions as set forth in each respective prospectus.

### **Separate Accounts**

The Firm intends to provide discretionary investment advisory services to separate account clients primarily through financial intermediaries, for example, broker-dealers and registered investment advisers often through wrap fee programs (see below). On a limited basis, the Firm also intends to provide discretionary investment advisory services directly to individuals and institutions. Separate account clients select an investment strategy after consultation with Broadmeadow or their primary advisor. Clients are permitted to impose reasonable restrictions if such restrictions are not materially different from a strategy’s investment objectives. Clients who impose investment restrictions should be aware that the performance of their accounts may differ from that of client accounts which do not impose such investment restrictions.

### Wrap Fee Programs

Broadmeadow intends to provide investment strategies to accounts under wrap fee programs sponsored by other firms or “wrap sponsors.” The wrap sponsors recommend and assist clients in selecting an appropriate Broadmeadow investment strategy, taking into account their financial situation and investment objectives. Broadmeadow’s role is to manage the client’s account according to the strategy selected. In a wrap fee program, the wrap sponsor may provide investment advisory, execution and custodial services to clients in return for an all-inclusive – or “wrap” – fee paid to the sponsor. Broadmeadow will receive a portion of the wrap fee for providing these strategies. Broadmeadow will allow reasonable investment restrictions if they do not differ materially from a strategy’s investment objectives. Clients who impose investment restrictions should be aware that the performance of their accounts may differ from client accounts which do not impose such investment restrictions.

### Model Portfolio Provider (also known as Unified Managed Account Programs)

Broadmeadow also intends to provide investment strategies via a model-based solution to other investment advisers. As the model portfolio provider, Broadmeadow designs, monitors and updates the portfolio. The investment advisers then implement the model portfolio for their clients and adjust the model portfolio as recommended by Broadmeadow. Model portfolio providers may grant shared trading authority to Broadmeadow or “dual-discretion” over the clients’ assets whereby Broadmeadow has discretion to execute trades on behalf of the clients.

For the purpose of clarity, firms that refer clients to Broadmeadow, such as broker-dealers, registered investment advisers and wrap sponsors, will be referred to herein as “Financial Intermediaries.”

### Assets under Management

As of November 30, 2014, Broadmeadow had \$523,820 assets under management.

## **Item 5. Fees and Compensation**

### Fee Billing

Advisory fees are negotiable. Fees for investment management services are typically billed quarterly in advance based on the asset value of the portfolio as reflected in the electronic data transmitted by the custodian. These fees will be assessed pro rata in the event the investment advisory agreement is executed at any time other than the first day of a billing period. If an investment advisory agreement is terminated prior to a quarter-end, any unearned fees will be refunded to the client. Clients may be charged a management and/or performance fee. Any performance fee arrangements comply with Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and the rules thereunder.

Broadmeadow will send an invoice for the payment of the advisory fee, or, when given written authority, the Firm will deduct the fee directly from an account through the qualified custodian holding the funds and securities. The qualified custodian will deliver an account statement to the client at least quarterly. Broadmeadow encourages clients to review the statement(s) received from

the qualified custodian. If information within the statement(s) received from the qualified custodian is inaccurate, please call the number located on the cover page of this Brochure.

### **Fee Schedule**

#### **Private Funds and Registered Funds**

Broadmeadow receives an annual management fee of up to 1.5% per annum from investors in the Private Funds as well as a performance fee which includes a high water market and a hurdle rate. Broadmeadow reserves the right to apply different management fees to different investors and to waive any management fee in whole or in part for particular investors in our discretion. The fee is paid quarterly in advance. Investors in the Private Funds will bear the fees and expenses charged to the funds. Those fees will vary, and typically include but are not limited to the following: brokerage commissions, certain expenses relating to cash management and certain fees related to the Private Funds' administration such as legal, accounting, audit, tax preparation, consulting and custodial fees and expenses. Please see the Private Funds' Confidential Private Placement Memorandum ("PPM") for more information on the fees and costs investors in the Private Funds will bear.

#### **Separate Accounts**

The basic fee schedule for separate account clients will be management fee of 1.5% annually. The separate account may also be assessed a performance fee which may include both a high water mark and a hurdle rate. Broadmeadow reserves the right to apply different management fees to different investors and waive any management fee in whole or in part for particular investors in its discretion.

#### **Wrap Fee Programs**

The wrap sponsors contract with the client to perform investment management and/or custodial services. Clients pay a single all-inclusive fee quarterly in advance to the wrap sponsor based on assets under management. From the all-inclusive fee, the sponsor will pay Broadmeadow a management fee.

#### **Model Portfolio Provider**

For model portfolio provider services, Broadmeadow receives a management fee which generally follows the Financial Intermediary fee schedule above.

The fees for the Registered Funds can be found in the respective Registered Fund's prospectus.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

### **Performance-Based Fees**

Broadmeadow has entered into performance fee arrangements with its Private Fund client. However, not all of the Firm's clients may be assessed a performance fee. Performance based fee arrangements create an incentive for Broadmeadow to recommend investments that may be riskier or more speculative than those that might be recommended under a different fee arrangement, such as a management fee only arrangement. Such fee arrangements may create the incentive to favor

higher paying clients over other clients in the allocation of investment opportunities.

### **Side-by-Side Management**

Broadmeadow will simultaneously manage the portfolios of the Private Funds, Registered Funds and separate accounts, according to the same or similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products creates certain conflicts of interest, as the fees for the management of certain types of products are higher than others. Nevertheless, when managing the assets of such accounts, Broadmeadow seeks to treat all such accounts fairly and equitably over time.

Although Broadmeadow seeks to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that Broadmeadow use the same investment practices consistently across all portfolios. Broadmeadow will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, and a client's performance will not necessarily be reflective of the performance of a separate account, including a wrap account, managed using a similar strategy, due to a variety of factors including differences in cash flows and the timing of trading. As a result, although Broadmeadow may manage multiple portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Refer to **Section 12. Brokerage Practices** for more information on the Firm's trade aggregation, trade allocation and trade rotation policies and practices.

## **Item 7. Types of Clients**

Broadmeadow offers investment advisory services to individuals, pension and profit-sharing plans, investment companies, state or municipal government entities, insurance companies, charitable organizations and other tax-exempt organizations, private funds, registered investment companies, corporations and other business entities, model portfolio providers and Financial Intermediaries.

In general, Broadmeadow requires a minimum account size of \$1,000,000 for direct separate account clients. Account minimums may be waived at the discretion of the Firm. The typical account minimum when referred by a Financial Intermediary is \$100,000. The Firm has the right to terminate an account if it falls below a minimum size which, in the Firm's sole opinion, is too small to effectively manage. Initial investments in the Private Funds generally require a minimum of \$1,000,000. Details of initial and add-on investments and are found in the Private Funds' PPMs.

Details of minimum investment requirements for the Registered Funds can be found in the respective Registered Fund's prospectus.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

## **Methods of Analysis and Investment Strategies**

### **Tactical Allocation and Enhanced Beta Strategies**

The Broadmeadow investment strategy is a systematic approach that essentially entails three key aspects:

1. *A dynamic asset allocation methodology* – a way to switch and allocate between asset classes (equities, fixed income and commodities) which blends risk control with elements of behavioral finance;
2. *A set of enhanced market betas* – Broadmeadow has created its own betas for equities, fixed income and commodities that are intended to be alpha producing compared with their traditional beta counterparts;
3. *A volatility hedging strategy* – a downside risk protection mechanism that dynamically changes with rising and falling volatility levels that can benefit returns in unstable periods while not being a drag when market prices are rising.

The Broadmeadow strategies will include exposures to global equities, fixed income and commodities – basic portfolio positions to accommodate for growth, deflation and inflation protection – and certain volatility exposures as a hedging mechanism. Broadmeadow will rely on certain characteristics of volatility (momentum/serial correlation, mean reversion, cyclicity) to determine its portfolio allocations and to conduct a risk targeting investment approach, adjusting each asset class category based on its absolute and relative volatility. However, Broadmeadow believes these characteristics and relationships do not always hold true and that a volatility targeting approach is at risk of failing. During such periods Broadmeadow may pursue a substantial asset allocation change. Attempting to identify these periods is an important aspect to the Broadmeadow approach.

In addition to this asset allocation process, Broadmeadow incorporates two other important features in its strategy. It has developed “enhanced betas” to replicate traditional equity, fixed income and commodity exposures with the intent of generating superior risk adjusted returns compared with traditionally used betas. Second, Broadmeadow has created an “Alternative” bucket, made up of exposures to a set of rules-based long/short dynamic volatility indices, that effectively serve as a hedge against adverse volatility changes.

### **Material Risks**

**These strategies and investments involve risk of loss and clients must be prepared to bear the loss of their entire investment. The material risks set forth below are qualified in their entirety by the more detailed risk disclosure in the applicable Private Fund or Registered Fund offering documents.**

### **Investment Risks**



*Correlation Risk:* Although the prices of equity securities and fixed-income securities, as well as other asset classes, often rise and fall at different times so that a fall in the price of one may be offset by a rise in the price of the other, in down markets the prices of these securities and asset classes can also fall in tandem.

*Credit Risk:* Issuers may not make interest or principal payments on securities, resulting in losses to a client. In addition, the credit quality of securities held by a client may be lowered if an issuer's financial condition changes, including the U.S. government.

*Currency Risk:* Investments in foreign currencies are subject to political and economic risks, civil conflicts and war and greater volatility. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, imposition of currency controls and economic or political developments in the U.S. or abroad. Changes in foreign economies and political climates are more likely to affect a strategy than a strategy that invests exclusively in dollar denominated securities of U.S. issuers.

*Derivatives Risk:* Loss may result from a client's investments in swaps, options and futures. These instruments may be illiquid, difficult to value and leveraged so that small changes may produce disproportionate losses to a client. Over-the-counter derivatives, such as swaps, are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Losses from investments in derivatives can result from a lack of correlation between the value of those derivatives and the value of the underlying asset or index. In addition, there is a risk that the performance of the derivatives or other instruments used by Broadmeadow to replicate the performance of a particular asset class may not accurately track the performance of that asset class. Derivatives are also subject to risks arising from margin requirements. There is also risk of loss if Broadmeadow is incorrect in its expectation of the timing or level of fluctuations in prices.

*Diversification Risk:* A client's portfolio may be limited to only a few investments. The client's performance may be more sensitive to any single economic, business, political or regulatory occurrence than the value of a more diversified client portfolio.

*Emerging Market Risk:* Emerging market countries may have relatively unstable governments, weaker economies and less-developed legal systems with fewer security holder rights. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

*ETF and Mutual Funds Risk:* ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of the investment strategy will be higher than the cost of investing directly in ETFs or mutual funds. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

*ETFs:* ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof.

ETFs' managers trade fund investments in accordance with fund investment objectives. While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always exist.

*Exchange-Traded Notes Risk:* Similar to ETFs and mutual funds, owning an ETN generally reflects the risks of owning the assets that comprise the underlying market benchmark or strategy that the ETN is designed to reflect. ETNs also are subject to issuer and fixed-income risk.

*Fixed Income Risk:* A client may invest in fixed income securities, directly or through ETFs. The credit quality rating of securities may be lowered if an issuer's financial condition deteriorates and issuers may default on their interest and/or principal payments. Typically, a rise in interest rates causes a decline in the value of fixed income securities.

*Foreign Investment Risk:* Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

*Geographic Concentration Risk:* A strategy may be particularly susceptible to economic, political, regulatory or other events or conditions affecting countries within the specific geographic regions in which the strategy invests.

*Leverage Risk:* Leverage may be used in investment and trading, generally through purchasing inherently leveraged instruments such as exchange-traded funds. The prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested. Borrowing magnifies the potential for losses and exposes the client to interest expense on money borrowed. Leveraged ETFs and derivatives will amplify losses because they are designed to produce returns that are a multiple of the equity index to which they are linked.

*Leveraged ETF Risk:* Leveraged ETFs will amplify gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

*Limited History of Operations:* As a newly registered firm, Broadmeadow has a limited history of operations for clients and investors to evaluate. The Firm has not previously managed Private Funds or Registered Funds.

*Options Risk:* There are numerous risks associated with transactions in options on securities. A decision as to whether, when and how to write options and purchase options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events.

*Small and Medium Capitalization Stock Risk:* A client may invest directly or through ETFs in companies of any size capitalization. The price of small or medium capitalization company stocks may be subject to more abrupt or erratic market movements than larger, more established companies or the market averages in general.

*Turnover Risk:* A higher portfolio turnover will result in higher transactional and brokerage costs and may result in higher taxes when a client's investments are held in a taxable account.

*U.S. Government Securities Risk:* Although U.S. Government securities are considered among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources.

*Strategy Risks – The ability of Broadmeadow to meet a client's investment objective is directly related to Broadmeadow's proprietary investment process. The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Broadmeadow's reliance on its strategy and judgments about the attractiveness, value and potential appreciation of particular securities may prove to be incorrect and may not produce the desired results.*

*Cyclical Analysis:* Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

*Defensive Hedging Activities.* When a derivative is used as a hedge against a position that a client holds, any loss generated by the derivative generally should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the strategy's hedging transactions will be effective. The use of hedging may result in certain adverse tax consequences.

*Investment Techniques:* In implementing its investment strategies, Broadmeadow may utilize techniques such as borrowing to increase equity exposure and investing and trading in options, forward contracts, swaps and other derivative instruments. Although employing these techniques expands opportunities for gain, it also substantially increases the risks of volatility and loss.

*Quantitative Analysis:* The success of its strategies depends in large part on Broadmeadow's

quantitative analysis on the value of the investments included in the strategy. No assurance can be given that Broadmeadow can assess the nature and magnitude of all material factors having a bearing on the value of securities and other investments for any particular investment strategy.

*Reliance on Management:* The Firm's reliance on its strategy and judgments about the attractiveness, value and potential appreciation of particular securities and the tactical allocation among a client's investments and quantitative modeling techniques may prove to be incorrect and may not produce the desired results. In addition, the success of Broadmeadow's investment strategies depends to a great extent on the investment skills of Broadmeadow and its principals and key personnel. Performance could be adversely affected if, due to illness or other factors, their services were not available for any significant period of time.

*Volatility Risk.* A client's use of derivatives may reduce the client's returns and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the client's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

## **Item 9. Disciplinary Information**

Neither the Firm nor any employees have reportable disciplinary information.

## **Item 10. Other Financial Industry Activities and Affiliations**

Broadmeadow is 100% owned by Cedar Capital, LLC ("Cedar Capital") and Cedar Capital is 100% owned by Cedar Capital Investments Holdings, LLC ("Cedar Holdings"). Broadmeadow is part of the Cedar Capital Group which includes Cedar Capital, Broadmeadow and other investment adviser affiliates. Cedar Capital Group offers access to a variety of investment products through its partners. Cedar Capital is an investment adviser registered with the SEC.

Broadmeadow is registered as a commodity pool operator with the Commodity Futures Trading Commission ("CFTC") with respect to the Broadmeadow Global Allocation, L.P. Disclosure regarding Broadmeadow's services with respect to commodity interests is provided for regulatory informational purposes only and is not intended or provided for marketing or solicitation purposes. Certain management persons and/or other personnel of Broadmeadow are registered principals and/or associated persons with the CFTC.

Certain employees of Broadmeadow are registered representatives with Foreside Fund Services, LLC ("Foreside"). As registered representatives, the employees will be authorized to sell the Registered Funds, Private Funds and receive compensation in connection with such activities. Broadmeadow is not affiliated with Foreside. Additionally, certain management persons and/or other personnel of Broadmeadow are or will be registered as principals and/or associated persons with the CFTC. Such registered representatives have an incentive to sell Broadmeadow products over other products where such registered representatives do not receive compensation.

Broadmeadow licenses certain intellectual property from BMC, LLC ("BMC") pursuant to a License Agreement dated as of September 22, 2014 between Good Harbor Financial, LLC ("Good

Harbor”), a Cedar Capital affiliate, and BMC as amended by that certain Amendment to License Agreement dated as of January 1, 2015 among Good Harbor, BMC, Broadmeadow, and Cedar Capital.

To the extent permitted by the Advisers Act, the Investment Company Act, Employee Retirement Income Security Act of 1974, and other law, as applicable, Broadmeadow may give advice, take action or refrain from acting in limiting purchases, selling existing investments, or otherwise restricting or limiting the exercise of rights, including voting rights, in the performance of its duties for certain client accounts that may differ from such advice or action, or the timing or nature of such advice or action, for other client accounts including, for example, for clients subject to one or more regulatory frameworks.

As noted above, Broadmeadow is a subsidiary of Cedar Capital, and Cedar Capital is a subsidiary of Cedar Holdings. In addition, Cedar Capital also owns Good Harbor Financial, LLC (“Good Harbor”) which is an investment adviser registered with the SEC. As a result, Broadmeadow is under common control with both Cedar Capital and Good Harbor who both intend to provide advisory services to individual and/or institutional clients (which may include registered investment companies and/or private investment funds). Broadmeadow’s arrangements with its affiliates may or may not be material to its advisory business at any particular time.

To the extent permitted by applicable law, Broadmeadow may delegate some or all of its responsibilities to one or more affiliates. Broadmeadow’s affiliated advisers may likewise delegate some or all responsibilities to Broadmeadow.

Broadmeadow’s affiliates may provide it with account administration, trading, operations, client service, sales and marketing, risk management, and legal and compliance services.

Given the interrelationships among Broadmeadow and its related persons and the changing nature of Broadmeadow’s related persons’ businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that are not covered by this discussion. Additional information regarding potential conflicts of interest arising from Broadmeadow’s relationships and activities with its related persons is provided under Item 11.

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

### **Summary of Code of Ethics**

Broadmeadow strives to comply with applicable laws and regulations governing the Firm’s practices. Therefore, the Code of Ethics (the “Code”) includes guidelines for professional standards of conduct for all Broadmeadow employees. The Firm’s goal is to protect client interests at all times and to demonstrate a commitment to the fiduciary duties of honesty, good faith and fair dealing. All employees are expected to strictly adhere to these guidelines. The Code prohibits any “short swing” or market timing activities as they relate to the Registered Funds advised by the Firm. The Code requires that employees and their family members disclose personal accounts, submit reports of personal account holdings and transactions on a periodic basis and disclose

certain gifts and business entertainment. Employees are also required to report any violations of the Code. The Firm maintains and enforces written policies and procedures reasonably designed to prevent the misuse or dissemination of material, non-public information by all employees. The Code is available upon request. You may obtain a copy of the Code by calling 312.224.8150.

### **Personal Trading Practices**

Employees may buy or sell the same securities that are recommended by the Firm or securities in which clients are invested. Conflicts of interest may exist in such cases because an employee may have the ability to trade ahead and potentially receive more favorable prices. To eliminate this conflict of interest, the Firm maintains a restricted list that includes the securities that the Firm trades or contemplates trading for its clients. The Code does not allow trading in certain securities on the restricted list, requires preclearance in transactions in certain securities and imposes blackout periods whereby employees may not trade in securities on the restricted list. Broadmeadow employees are also prohibited from trading in certain securities on the restricted lists of other members of the Cedar Capital Group.

### **Other Conflicts of Interest**

Broadmeadow is not required to devote its full time or any material portion of time to any particular investment activity it is currently involved in, and may in the future become involved in other business ventures, including other investment strategies and funds whose investment objectives, strategies and policies are the same or similar. These other ventures will compete for the Firm's time and attention and might create additional conflicts of interest, as described below.

Broadmeadow may have an incentive to favor one or more of its clients with regard to the allocation of investment opportunities. The Firm will act in a fair and reasonable manner in allocating suitable investment opportunities among clients and funds; however, no assurance can be given that (i) a client or fund participates in all investment opportunities in which other clients or funds participate, (ii) particular investment opportunities allocated to clients or funds will not outperform investment opportunities allocated to other clients or funds, or (iii) equality of treatment between clients and funds will otherwise be assured.

Broadmeadow serves as the general partner/investment adviser to the Private Funds and may serve as investment adviser to Registered Funds, both of which clients are solicited to invest.

As noted in Item 10, Cedar Capital and certain of its affiliates are investment advisers registered with the SEC. Cedar Capital solicits potential clients for affiliated and unaffiliated investment advisers, including Broadmeadow. Furthermore, Cedar Capital wholly owns or has an ownership interest in other investment advisers and also may provide administrative support services to affiliated and unaffiliated investment advisers' private funds and registered investment companies. Given the relationship between Cedar Capital and Broadmeadow, Broadmeadow may be incentivized to resolve any conflicts that arise between the client and Cedar Capital in Cedar Capital's favor.

## **Item 12. Brokerage Practices**

### **Brokerage for Client Referrals**

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

### **Soft Dollars**

As of the date of this Brochure, Broadmeadow does not utilize soft dollars or pay excess commissions for research or other services provided by a broker-dealer. To the extent Broadmeadow utilizes soft dollars in the future, it is anticipated that Broadmeadow would do so in reliance on the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended. “Soft dollars” refers to the receipt by an investment adviser of products and services that brokers provide, without making any separate cash payments for such products or services, based on the volume of commission revenues generated from securities transactions placed with those brokers on behalf of the adviser’s clients. The products and services available from brokers include both internally generated items (such as research reports prepared by the broker’s employees) and items acquired by the broker from third parties (such as quotation equipment).

### **Selecting Broker-Dealers**

Clients may instruct Broadmeadow to use one or more particular brokers for the transactions in their accounts. If clients choose to direct Broadmeadow to use a particular broker, they should understand that this might prevent the Firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on their behalf. This practice may also prevent the Firm from obtaining favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that we would otherwise obtain for them.

### **Best Execution**

In placing orders to purchase and sell securities, the Firm considers a number of factors, not solely the ability to receive the best price, in selecting appropriate broker-dealers. The Firm considers, among other factors, financial condition, reputation, level of trading expertise and capability, infrastructure, alternative trading options resulting from technology developments and market changes, and commission rates charged. In seeking best execution, Broadmeadow is responsible for developing, evaluating and changing, when necessary, order execution practices. Broadmeadow employs a third party to assist the Firm in seeking best execution and may in the future utilize other third parties.

### **Trade Aggregation/Allocation and Trade Rotation**

Broadmeadow may combine multiple orders for shares of the same securities purchased for client accounts in which the Firm has discretion. The Firm will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Broadmeadow may employ one or more third parties to assist with trade aggregation and allocation practices. Trade aggregation is performed to ensure, to the extent possible, that clients receive optimal execution and consistent

results across the Firm's client base. The distribution of the shares purchased is typically proportionate to the size of the account, and is not based on account performance or the amount or structure of management fees. Subject to the Firm's discretion regarding factual and market conditions, when orders are combined, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by the Firm or persons associated with the Firm may participate in aggregated orders; however, they will not be given preferential treatment. Broadmeadow has adopted trade aggregation and allocation policies and procedures designed to ensure accounts are treated fairly when orders are aggregated for execution.

In the event a single aggregated order cannot be affected across all custodial platforms, a trade rotation policy shall be implemented to ensure fairness of execution.

### **Trade Errors**

The Firm has adopted trade error policies and procedures. Trade errors will be resolved in accordance with the standards set forth in a client's governing documents.

## **Item 13. Review of Accounts**

### **Review of Client Accounts**

Client accounts and the Private Funds and Registered Funds are reviewed on an ongoing basis by the operations team. Matters reviewed include securities held, adherence to investment restrictions and performance. In addition, the compliance team will periodically review client accounts for adherence to investment strategies and whether or not the Firm is honoring investment restrictions.

For the Registered Funds, Broadmeadow along with third-party service providers that provide compliance, administration, and accounting support will actively monitor the Registered Funds for compliance restrictions. The Registered Funds' administrator will perform back-end or "post-trade" compliance monitoring. Broadmeadow will perform front-end or "pre-trade" compliance monitoring on an ongoing basis.

### **Client Reporting**

Broadmeadow will provide quarterly performance reports to direct clients.

In addition, all clients should receive from the qualified custodian a monthly or quarterly report containing schedules of investments and transactions during the period.

### **Suitability**

Prior to accepting a new client, Broadmeadow will collect information regarding client investment objectives and risk tolerance. Broadmeadow is responsible for ensuring that the goals and objectives of the separately managed account program selected by the client are suitable given the information provided. The Firm will review direct client accounts at least annually for the purpose of evaluating, reporting and implementing the investment objectives of clients. Direct clients are responsible for communicating to Broadmeadow any significant changes to their financial circumstances or risk tolerances.



For clients that are referred to Broadmeadow through a Financial Intermediary, the referring advisor is responsible for the initial determination of client suitability for the selected separately managed account program and is responsible for the ongoing review of the client objectives. The Financial Intermediary is responsible for communicating any changes in financial condition of a client to Broadmeadow. While Broadmeadow retains fiduciary duty over the client accounts, Broadmeadow relies on information provided by the Financial Intermediaries.

#### **Item 14. Client Referrals and Other Compensation**

The Firm does not receive any compensation from any third party in connection with providing investment advice.

Third-party solicitors, for example, affiliated or unaffiliated broker/dealers and investment advisers, who are directly responsible for bringing a client to the Firm, receive compensation from Broadmeadow for client referrals. Under these arrangements, the client will not pay higher fees than the normal/typical advisory fees. Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940 and/or applicable law, including a written agreement between the Firm and the solicitor. Third-party solicitors must provide a copy of the Firm's Brochure and a separate solicitor's disclosure statement regarding the relationship between the solicitor and the Firm to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services.

A conflict of interest exists for the arrangements where a Financial Intermediary is incentivized by a referral fee. Referral fees paid to a third-party solicitor are contingent upon a client engaging Broadmeadow to provide investment management services.

The Registered Funds may also pay various fees to broker-dealers and other financial intermediaries that provide distribution services related to such funds. In addition, the Private Funds may enter into an agreement with a placement agent or broker-dealer to sell interests in such Private Funds.

Certain of Broadmeadow's personnel are registered representatives of Foreside and engage in wholesaling and client service activities on behalf of the Registered Funds and Private Funds. For their sales activities, the personnel receive compensation related to the sale of such Registered Funds' or Private Funds' interests. Such activities are conducted through Foreside.

#### **Item 15. Custody**

Broadmeadow does not act as a custodian for client assets. However, under Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), Broadmeadow may be deemed to have custody of client assets.

For separate account clients, Broadmeadow may directly debit client accounts for the payment of advisory fees but does not take physical custody of any client funds and/or securities. Funds and

securities will be held with a bank, broker-dealer or other independent, qualified custodian. Clients receive account statements monthly from the independent, qualified custodian holding their funds and securities. The account statements from the custodian will indicate the amount of advisory fees deducted from the account each billing period. Clients should carefully review account statements for accuracy.

In the case of the Registered Funds and Private Funds advised by Broadmeadow, arrangements have been made with qualified custodians as disclosed in the relevant offering documents. To comply with the Custody Rule, the Private Funds are audited on an annual basis in accordance with generally accepted accounting principles and the financial statements are distributed to each investor within 120 days after their fiscal year-end.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Broadmeadow at 312.224.8150.

## **Item 16. Investment Discretion**

Broadmeadow provides investment advisory services on both a discretionary and non-discretionary basis to clients.

For its discretionary clients, Broadmeadow enters into an investment advisory agreement or other agreement that sets forth the scope of the Firm's discretion. In the case of a Financial Intermediary, Broadmeadow will enter into an agreement with the Financial Intermediary that outlines Broadmeadow's discretionary authority.

Broadmeadow has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, and the broker-dealer utilized to execute the transactions. Clients may request reasonable investment limitations and restrictions and Broadmeadow may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions must be presented to Broadmeadow in writing. With respect to certain accounts, such as the Registered Funds, Broadmeadow's authority to trade securities may also be limited by certain securities, tax, and other laws that may, for example, require diversification of investments and impose other limitations. Please refer to **Item 4. Advisory Business** in this Brochure for more information on the Firm's discretionary management services.

## **Item 17. Voting Client Securities**

### **Statement of Policy**

Proxy voting is an important right of shareholders and reasonable care must be undertaken to ensure that such rights are properly and timely exercised. When Broadmeadow has discretion to vote the proxies of its clients, it will vote those proxies in the best interest of its clients and in accordance with these policies and procedures. Broadmeadow may select an unaffiliated third-party proxy research and voting service ("Proxy Voting Service"), to assist in the electronic record keeping and management of the proxy process with respect to client securities.

Broadmeadow has been delegated the authority to vote proxies for the Registered Funds and the Private Funds.

### **Proxy Voting Procedures**

When Broadmeadow has discretion to vote the proxies of its clients, the Proxy Voting Service will notify Broadmeadow of annual meetings and ballots, and provides the ability to manage, track, reconcile and report proxy voting through electronic delivery of ballots, online voting and record keeping. The Chief Compliance Officer oversees the process to ensure all proxies are being properly voted and appropriate records are being retained.

All proxies received are sent to the respective Portfolio Manager. The Portfolio Manager reviews the information and votes according to the guidelines set forth below.

### **Voting Guidelines**

Broadmeadow has adopted proxy voting policies and procedures (the “Proxy Voting Policy”) to make every effort to ensure that proxies are voted in the best interest of clients and according to the value of the investment.

The Proxy Voting Policy addresses how the Firm will vote proxies with regard to specific matters, such as voting rights, mergers or acquisitions, the election of board members and other issues. The Proxy Voting Policy also directs Broadmeadow to consider certain factors with regard to specific proxy proposals to assist the Firm in voting securities properly. The Firm may also vote a proxy contrary to the Proxy Voting Policies if the Firm determines that a conflict of interest exists or that such action would be in the clients’ best interest.

You may obtain a copy of Broadmeadow’s Proxy Voting Policy and information about how Broadmeadow voted a client’s proxies by calling 312.224.8150.

## **Item 18. Financial Information**

There is no information applicable to this item.