

**Item 1 – Cover Page**

**Form ADV Parts 2A and B: FIRM BROCHURE**

**SOUTH GEORGIA CAPITAL, LLC**

**d/b/a STONE ISLAND FINANCIAL PLANNING**

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This investment adviser brochure (“Brochure”) provides information about the qualifications and business practices of South Georgia Capital, LLC d/b/a Stone Island Financial Planning (“Stone Island”). If you have any questions about the contents of this Brochure, please contact Michael McAlister, Chief Compliance Officer, at (630) 784-2200. 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.

Stone Island is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

Since Stone Island’s last annual Brochure dated March 25, 2019, the Firm’s relying adviser, Raintree Capital Management, LLC, has filed as its own exempt reporting adviser. Accordingly, this Brochure has been revised in each section to remove reference to two of the three private funds previously managed by Raintree Capital Management, LLC as Stone Island does not manage those investments.

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## **Item 4 – Advisory Business**

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

### **Firm Description**

Founded in November 2008, South Georgia Capital, LLC (“Stone Island”), a Delaware limited liability company, is a Naperville, Illinois based investment adviser that provides investment advisory services to individuals, business entities, trusts, estates, foundations, pension and profit sharing plans and to one private fund. Stone Island provides its investment advisory services to separately managed accounts and to one pooled investment vehicle, RSP Partners LP (“RSP”).

For its separately managed account clients, Stone Island provides financial planning and investment advisory services to individuals and families. As part of their overall investment strategy, some of these separately managed account clients also invest in funds managed by an exempt reporting adviser (Raintree Capital Management LLC) affiliated with Stone Island’s principal, Michael McAlister.

### **Principal Owners/Ownership Structure**

Stone Island is owned and controlled by Michael McAlister. More information regarding the ownership of Stone Island is available in the Firm’s Form ADV Part 1, Schedule A.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

Stone Island provides investment advisory services to individuals and families through separately managed accounts and to one private fund, RSP.

### **RSP**

RSP is a pooled investment vehicle established solely for the purpose of investing in a direct sponsored investment in Blue Water Systems LP and Blue Water Regional Supply Project LP (collectively “Blue Water”). RSP is not an active investment, as there are no follow-on investments expected; RSP is awaiting royalty distributions from Blue Water and will liquidate the Fund once such distributions have been made.

Stone Island has full discretionary authority pursuant to its investment management agreements with RSP to formulate investment advice and direct investments on behalf of the Fund.

More information about RSP is available in its offering documents, investment advisory agreement, limited partnership agreements, and other relevant document (together “Fund Governing Documents”) and also in Stone Island’s Form ADV, Schedule D. Section 7.B.(1).

### **Separately Managed Accounts**

Stone Island provides investment advice on various individual equity and fixed income securities, options and futures, exchange-traded funds (“ETFs”), mutual funds, pooled investment vehicles, private placements, and other investment and separate account managers, generally on a discretionary basis. Such investment advice is rendered in accordance with the client’s designated investment objective(s). Separately managed account clients usually set their own investment objectives and/or impose restrictions on investing in certain securities or types of securities. For some separately managed account clients, Stone Island provides financial planning services, where the end product is an estimated future view of wealth accumulation through life expectancy using several major assumptions, including spending expectations from all sources and investment return on investment. Stone Island does not provide tax planning or estate planning services but will assist each client and the professionals they select to represent them in those areas. To the extent possible, each investor or family will have a suitability agreement, investment advisory agreement and investment policy statement on file in order to assure a mutually informed relationship (“SMA Governing Documents” and together with the Fund Governing Documents, the “Governing Documents”).

#### **C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

For the RSP, advisory services provided are tailored to the investment objectives, investment strategy and investment restrictions, if any, as set forth in the Fund’s Governing Documents. Stone Island provides investment advice directly to RSP and not individually to investors in the Fund. Stone Island does not require, nor does it seek, approval from the RSP or the investors in the Fund with respect to its investments.

While Stone Island does not tailor its advisory services to the individual needs of investors in the Fund, the Fund has entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the Fund’s Governing Documents. Such rights include notification and disclosure rights, certain fee arrangements, transfer rights, and certain withdrawal or redemption rights, among others. Side letters are typically negotiated at the time of the relevant investor’s capital commitment and once invested in the Fund, investors generally cannot impose additional investment guidelines or restrictions on the Fund.

Separately managed account clients receive advice specifically tailored to their investment objectives, risk and capital requirements. Stone Island meets with each client to establish a unique investment policy for his/her/its needs. Stone Island generally provides investment advisory services to these clients on a discretionary basis.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Stone Island does not participate in wrap fee programs.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of December 31, 2019, Stone Island managed approximately \$131,675,568 of regulatory assets under management on a discretionary basis. Approximately \$7,541,796 was managed in the Fund, and \$124,133,772 are managed on behalf of 189 separately managed account clients.

## **Item 5 – Fees and Compensation**

**A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Separately managed account clients engage Stone Island to provide investment advisory services on a fee-only basis. Stone Island charges clients either (i) a flat fee at amounts agreed to in the investment advisory agreement with each client, which range from \$1,500 to \$20,000 per annum, depending on the services performed, the complexity of the account and the amount of assets under management or (ii) a flat fee based on a percentage of assets under management calculated based on the market value of the assets as of the last day of the prior quarter, or (iii) hourly fees.

RSP is not currently paying a management fee.

**B. Describe whether you deduct fees from clients’ assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

For separately managed accounts, fees are generally deducted quarterly in advance but varies based on each client’s specified instructions. Some clients authorize their custodian to debit their account for the amount of the management fee while some clients are invoiced by Stone Island and remit payment directly to Stone Island. In select cases, for a family of accounts, fees from one account may be collected from an account that is different from the one in which the fee is earned.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will**

**incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

For RSP, Fund investors bear the following expenses in connection with the Fund's business, including but are not limited to: accounting, auditing, tax and tax preparation expenses; legal fees and expenses; professional fees and expenses (including, without limitation, expenses of consultants and experts); investment-related expenses; expenses of investing into or gaining exposure to underlying funds or managers, where applicable; travel expenses; printing and postage expenses; third-party valuation service expenses; bank service fees; blue sky and corporate filing fees and expenses; insurance expenses; initial offering and organizational expenses; fees for the performance of administrative services by the Fund's administrator; extraordinary expenses, *e.g.*, litigation expenses, incurred by the Fund (whether or not required by generally accepted accounting principles as promulgated in the United States).

For separately managed account clients, in addition to the management fees described above, clients also bear certain expenses specified in the relevant Governing Documents, as applicable, including: custodial fees; brokerage commissions and/or transaction fees charged by the relevant custodians (*i.e.*, transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions); "trade away fees"; charges and fees imposed at the level of exchange-traded funds and/or mutual funds into which clients invest; organizational and operating expenses; fees and expenses charged by any retained investment managers and/or unaffiliated third-party funds; and, in the event a client desires to purchase options, futures and/or commodities for its account, commissions paid to the relevant futures commission merchant. These expenses are often negotiated directly between the client and the custodian or broker-dealer and paid by the client directly to such custodian or broker-dealer.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

Stone Island's advisory fees for separately managed account clients generally are prorated and paid quarterly in advance. Clients who use Interactive Brokers as their custodian have their fees debited daily, in advance. In the event a separately managed account client pays fees in advance and then terminates an account, Stone Island will refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

This is not applicable (with respect to all of Item 5.E and its sub-parts).

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

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

Stone Island charges performance-based fees, known as an incentive allocation, for some separately managed account clients and for investors in RSP. An incentive allocation is allocable to the Firm by RSP or applicable separately managed account clients at a rate equal to the performance allocation percentage times the net gains allocable to an investor's account. Investors in RSP pay the general partner a 20% incentive allocation. Separately managed account clients who participate in a particular strategy are charged an incentive fee of 30% of net profits on certain assets. Other separately managed account clients do not pay performance fees.

In cases where an incentive fee is charged, Stone Island is only eligible to receive the incentive fee on realized and unrealized net gains earned during any calendar year if, and only if, that gain results in the reported value of the account is at a new all-time high (high water mark). High water marks are established at the end of each calendar year. Account values achieved intra-year are not used to determine a high-water mark.

Stone Island may agree to a different incentive allocation or may elect, in its sole and absolute discretion, to waive some or all of its respective incentive allocation with respect to certain RSP investors and certain separately managed account clients, including without limitation, investors that are employees or affiliates of Stone Island or their family members. Once a Fund's or separately managed account client's fiscal year has ended, any performance-based compensation earned during that year is not subject to reversal. The incentive allocation will be based, in part, on unrealized investment gains that may never be realized in the event of adverse changes in the value of such investments, and thus, the allocation may be greater than if it were solely based on realized gains. Because the incentive allocation is calculated separately with respect to each capital account, an investor or client could be subject to an incentive allocation even though such investor's or client's overall investment has been unprofitable.

Performance-based compensation creates a potential conflict between Stone Island's interest in earning a profit in the short term with the long-term interests of the investors and clients. An incentive-based allocation arrangement can create an incentive for riskier or more speculative investments by Stone Island than might be the case in the absence of such performance-based allocation arrangement because these investments may allow Stone Island to collect larger incentive-



based compensation. Separately managed account clients and RSP Fund investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment.

All performance fee agreements are structured in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance fee arrangements with qualified clients.

## **Item 7 – Types of Clients**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

Stone Island provides investment advice to its separately managed account clients and to its Fund, RSP. Separately managed account clients and investors in RSP generally include individuals, high net worth individuals, associated trusts, estates, corporate and individual pension and profit sharing plans, foundations, charitable organizations and family offices.

There is no minimum contribution for separately managed account clients.

RSP limits its investors to persons who are “accredited investors” as defined in the Securities Act of 1933 (“Securities Act”) and/or “qualified clients” as defined in the Investment Company Act of 1940 (“Investment Company Act”). The Fund is not registered or required to be registered under the Investment Company Act; are not generally made available to the public; its securities are not registered or required to be registered under the Securities Act; and Fund units are privately placed to qualified investors in the United States and elsewhere. Investors in the Fund must meet certain suitability and net worth qualifications prior to making an investment in the Fund. Minimum contribution for the Fund was \$250,000, although commitments of less than this amount were also accepted at the sole discretion of Stone Island.

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

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

For separately managed account clients, Stone Island provides investment advice in accordance with each client’s expressed investment goals, risk profile and desired liquidity. Stone Island conducts cyclical, fundamental or technical analysis as well as charting on securities recommended for client accounts as appropriate.

The investment strategy of RSP is to invest directly in the Blue Water direct sponsored investment.

There can be no assurance that the separately managed accounts or RSP will achieve their investment objectives. A risk of loss of a client's entire investment may be possible.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

No investment is free of risk. Clients are urged to talk to Stone Island about the risk of their specific separately managed account; investors in the RSP Fund are urged to review the Governing Document. The following risks are applicable to the Fund and separately managed accounts, and noted when only applicable to specific strategies:

- *Reliance on Corporate Management and Financial Reporting.* Certain strategies implemented by Stone Island rely on the financial information made available by third parties. Although Stone Island typically will evaluate all such information and seek independent corroboration when it considers it appropriate and when it is reasonably available, Stone Island will not always be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available. As a result, Stone Island will be dependent upon the integrity of both the management of issuers and the financial reporting process in general. Material losses can occur as a result of corporate mismanagement, misstatements or omissions, fraud and/or accounting irregularities.
- *Limited Right of Redemption.* An investment in RSP is suitable only for sophisticated investors who have no need for current liquidity. An investment in a Fund provides limited liquidity, as interests are not freely transferable and investors generally may redeem capital only as specified in the relevant Fund Governing Documents. The general partner may limit, suspend or otherwise restrict an investor's right to redeem all or part of its capital account. Any portion of an investor's capital account attributable to an interest in a special investment account may not be redeemed without the prior consent of the general partner. Redemption proceeds may be paid in cash, in kind or partially in cash and partially in kind.
- *Equities.* Equities in which the separately managed account clients invest may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses to such client.
- *Short Sales.* Stone Island may engage in "short selling" of securities for some separately managed account clients. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements to clients. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the

risk that the securities borrowed by separately managed account clients in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and a client can be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

- *Options.* Stone Island may purchase or write options on securities on behalf of its clients. The purchase or sale of an option involves the payment or receipt of a premium by the client and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the client loses its premium. Selling options, on the other hand, involves potentially greater risk because the client is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter (“OTC”) options, *i.e.*, options not purchased or sold on an exchange, also involve counterparty default and solvency risk, and may be employed by Stone Island on behalf of its clients where permitted by applicable law or regulation, and the relevant investment advisory agreement or operating agreement.
- *Exchange-Traded Funds.* Stone Island may purchase ETFs in pursuing a separately managed account client’s investment strategy. ETFs represent shares of ownership in funds, unit investment trusts or depository receipts that closely track the performance of specific instruments, including broad market, sector or international indexes. ETFs give clients the opportunity to buy or sell an entire portfolio of securities of individual issuers in a single security as easily as buying or selling a share of stock or to gain exposure to other instruments and offer a wide range of investment opportunities. While similar to a mutual fund, ETFs differ from mutual funds in significant ways. Unlike mutual funds, ETFs are priced and can be bought and sold throughout the trading day. To the extent a client invests in ETFs, such client will directly or indirectly bear the fees and expenses of such ETFs.
- *Commodity and Futures Contracts.* Stone Island may invest in commodity and futures contracts on behalf of its separately managed account clients. Commodity futures markets (including financial futures, such as futures covering indices and larger “baskets” of securities) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be

illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, which conditions have in the past sometimes lasted for several days in certain contracts, Stone Island could be prevented from promptly liquidating unfavorable positions and consequently subject the clients to substantial losses.

- *Order Aggregation.* If Stone Island determines that the purchase or sale of an investment opportunity is appropriate with regard to one or more clients, Stone Island may, but is not obligated to, when possible, aggregate orders placed simultaneously in order to reduce transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating client generally will receive the average price, with transaction costs generally allocated pro rata based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by Stone Island. In the event of a partial fill, allocations may be modified on a basis that Stone Island deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. To the extent that orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by Stone Island. As a result, certain trades in the same investment opportunity for one separately managed account may receive more or less favorable prices or terms than another separately managed account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

There may be instances, such as when orders are placed with more than one broker, that make it difficult or inadvisable (as determined by Stone Island in its discretion) for Stone Island to average the prices paid. In these instances, Stone Island will seek to allocate filled orders in a fair and equitable manner. Similarly, if an order on behalf of more than one separately managed account cannot be fully executed under prevailing market conditions, Stone Island may allocate the securities traded among the different separately managed accounts on any basis that it considers fair and equitable. In these circumstances, each such separately managed account may be required to pay, in connection with the acquisition of securities by more than one such separately managed account, the average price per unit acquired, which may be higher than if such account had acted alone, and it may otherwise not be able to execute an investment decision as effectively as it could have if such account had acted alone. There may be corresponding potential disadvantages when more than one separately managed account simultaneously seeks to dispose of commonly held securities and other investment positions.

- *Fixed-Income Investments.* The value of the fixed-income securities in which the separately managed accounts may invest will change as the general levels of interest rates fluctuate. The value of fixed-income securities generally rises when interest rates decline, and conversely, the value of such securities generally declines when interest rates rise. Investments in lower-rated

fixed-income securities in which the separately managed accounts may invest, while generally providing greater opportunity for gain and income than investments in higher-rated securities, usually entail greater risk, including the possibility of default or bankruptcy of the issuers of such securities.

- *Use of Leverage; Borrowing; Interest Costs and Rates.* The investment strategy of some of the Stone Island clients involves the use of certain amounts of leverage, *i.e.*, borrowings to increase investment positions and exposure. Although the use of leverage increases returns to clients if such clients earn a greater return on the investments purchased with borrowed funds than they pay for such funds, the use of leverage decreases returns to clients if such clients fail to earn as much on such investments as it pays for such funds. Although Stone Island intends to keep clients' use of leverage within the guidelines specified in the applicable Governing Documents, such agreements generally impose no hard limitation on the form or amount of borrowings; accordingly, the amount of a client's borrowings outstanding at any time may be large in comparison to its capital. Risk of loss and the magnitude of possible gains are both increased by the use of leverage. Fluctuations in the market value of a client's portfolio will have a greater effect relative to the capital than would be the case in the absence of leverage. Adverse market fluctuations in the case of margin borrowings may require the untimely liquidation of one or more investment positions. Interest costs of borrowings will be an expense of the clients and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of such clients.
- *Single Investment.* For RSP, the general partner is not required to take a diversified investment approach with respect to the Fund, and accordingly the Fund will invest substantially all of its assets not retained to effect redemptions or provide operating capital in the Blue Water investment. Such lack of diversification in RSP's investments may have a substantial impact on its operations and profitability.
- *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence can be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, global pandemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of RSP to execute its strategy and to receive an attractive multiple of earnings on the disposition of businesses. This may result in longer holding periods for the RSP investment. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon Stone Island's clients' investment portfolio.

- *Cybersecurity Risk and Identity Theft.* The separately managed accounts, RSP, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the separately managed accounts and Fund, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and separately managed accounts. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the separately managed accounts, the Fund, their service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data.

Although Stone Island has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Stone Island, the separately managed accounts, the Fund and/or a service provider thereof may have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of such systems could result in the loss or theft of data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the separately managed accounts and Fund to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

- *Economic Disruptions Due to Coronavirus.* The recent spread of COVID-19 (the “coronavirus”) in certain countries, including the United States, has shown an ability to result in a broad-based economic decline and significant market volatility. The outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. This is a new and developing threat and therefore presents material uncertainty and risk with respect to the separately managed account’s and the Fund’s performance and financial results. The global impact of the outbreak has been rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. The extent of the impact of any public health emergency on the separately managed accounts’ and the Fund’s operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic

activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

Aside from the broad effects on the economy, the coronavirus may also have specific implications for the Firm's operations and activities of its personnel, which can range from employees needing to work from home to more significant impacts such as illness and restrictions on non-essential travel. The Firm expects to institute procedures, as it deems appropriate, to deal with operational impacts from the coronavirus. Many of these procedures are expected to mirror procedures currently contained in the Firm's Business Continuity Plan for dealing with other significant business disruption events. The Firm may consider additional or modified safeguards in the event employees choose to work from home for an extended period of time, such as if any changes are required to be instituted for remote login and/or to protect the privacy of Firm, separately managed accounts and Fund and investor data.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

See 8.B. above.

#### **Item 9 – Disciplinary Information**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

There are no events Stone Island to report that are applicable to this Item 9.

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

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither Stone Island nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither Stone Island nor any of its management persons is registered or has an application to registered as a futures commission merchant, commodity pool operator, a commodity trading adviser

or an associated person of the foregoing. Stone Island's related person, Raintree Capital Management LLC, is registered as a commodity pool operator with the CFTC.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading adviser
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships.

Stone Island has a relationship with another investment adviser: the principal of Stone Island is also a principal of a Raintree Capital Management LLC, an exempt reporting adviser to hedge funds.

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

Stone Island does not receive compensation, either directly or indirectly, for recommending investment advisers to its clients.



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

**A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

### **Code of Ethics**

As fiduciaries, Stone Island and its supervised persons have certain legal obligations to put clients' interests ahead of their own. Stone Island has adopted a written Code of Ethics pursuant to Advisers Act Rule 204A-1 that sets forth standards of conduct expected of supervised persons and addresses conflicts that can arise from personal trading. The Code of Ethics requires all supervised persons to place client interests ahead of the Firm's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. At least once a year and upon hire, each Stone Island supervised person is required to acknowledge this Code and agree to be bound by it.

Supervised persons who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension, or dismissal. Supervised persons are also required to promptly report to the Chief Compliance Officer any violations of the Code of Ethics of which they become aware.

A copy of the Code of Ethics is available to any existing or prospective investor upon request to the Chief Compliance Officer, Michael McAlister, at (630) 784-2200 or [mcm@stoneislandfp.com](mailto:mcm@stoneislandfp.com).

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

### **Participation or Interest in Client Transactions**

Stone Island and its affiliates, principals and employees carry on investment activities for their own account and for family members, friends or others, and give advice and recommend securities to vehicles or accounts which may differ from advice given to, or securities recommended or bought for, any Stone Island client, even though their investment objectives may be the same or similar. Stone Island and their principals also trade in the securities and derivatives markets or make other investments for their own accounts and the accounts of their and their affiliate's Funds or clients, and in doing so may take positions opposite to, or ahead of (including trading positions with preferential terms), those held by other Stone Island clients or affiliate Funds and may be competing with such clients for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to clients. Records of this trading will not be available for inspection by clients.

Stone Island will not affect any principal or agency cross securities transactions for client accounts without first obtaining client approval. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to a client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between clients can be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either client. Agency cross transactions occur when an investment or an affiliate arranges a transaction (*i.e.*, acts as “broker”) between two or more clients managed by the same adviser or an affiliate. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not “acting as a broker” if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3) of the Advisers Act.

Although it does not expect to, from time to time, Stone Island may complete securities trades (including outright purchases and sales) between client accounts, known as an agency cross transaction. In the event this occurs, any agency cross trading transactions conducted between client accounts will be made at the then market rate for similar transactions between unrelated parties and only where an independent pricing mechanism (such as the last sales price on the exchange where the security is principally traded) is available. Transactions between client accounts will be completed for no consideration other than cash payment against prompt delivery of the relevant security or other instrument at current market prices.

### **Conflicts of Interest**

The Stone Island Code of Ethics requires supervised persons to place the interests of clients first, and on an annual basis each supervised person must certify that he or she has read and understands the Code of Ethics and has complied with its provisions. If any matter arises that Stone Island determines in its good faith constitutes an actual conflict of interest, Stone Island will take such actions as may be necessary or appropriate, within the context of any applicable clients’ Governing Documents, to address the conflict.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

Stone Island’s Code of Ethics prohibits each of the entities and their supervised persons from trading for themselves, or recommending trading, in securities of a company while in possession of material nonpublic information (“Inside Information”), and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. Stone Island has adopted policies and procedures reasonably designed to control and monitor the flow of Inside Information to and within Stone Island as well as prevent trading based on Inside Information.

Stone Island maintains a restricted list regarding issuers about whom it has or may have Inside Information. Pre-clearance is required for all personal securities transactions, including initial public offerings and limited offerings. Supervised persons are required to submit their brokerage account statements or quarterly transaction reports along with annual holding reports to the Chief Compliance Officer for review.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Stone Island's Code of Ethics requires pre-approval for all personal securities transactions with the exception of ETFs and mutual funds, thus a supervised person wishing to purchase or sell a security for his or her own account at or about the same time that the Firm was also buying or selling the same securities for a separately managed account client would be required seek pre-approval from the Chief Compliance Officer for such transaction.

## **Item 12 – Brokerage Practices**

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

### **1. Research and Other Soft Dollar Benefits.**

For separately managed accounts, Stone Island selects or recommend brokers whose commissions and/or transaction fees are consistent with Stone Island's duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Stone Island determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. Although Stone Island generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates and responsiveness. Stone Island seeks to select broker-dealers on the basis of best price and execution capability. In selecting a broker-dealer to execute client transactions, Stone Island considers a variety of factors, including, but not limited to: (i) broker-dealer's execution capabilities with respect to the relevant type of order and access to the markets for the securities being traded; (ii) the strength of the broker-dealer's research and analytic services as well as clearing and settlement capabilities; (iii) the commissions charged by a broker-dealer, which may be based on the size of the order, the price of

the security and whether the receipt of products or services is involved; (iv) the broker-dealer's reputation and responsiveness to requests for trade data and other financial information; (v) the amount of business with each broker-dealer and the justification for directing trades to those broker-dealers; (vi) the gross compensation paid to each broker-dealer and the transaction costs incurred; (vii) the broker-dealer's familiarity both with the investment practices generally and the techniques employed by Stone Island; (viii) statistics or other information by independent consultants on the relative quality of executions/financial services of each broker-dealer; (ix) the financial strength and stability of each broker-dealer; (x) the broker-dealer's ability to respond promptly to inquiries during volatile markets; (xi) the value of privacy considerations, liquidity, price improvement and lower commission rates on electronic communications; and (xii) the broker-dealer's expertise in the particular markets and its general reputation and ability to execute an order in an appropriate time frame.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer, Stone Island may receive from a broker-dealer, without cost (and/or at a discount) support services and/or products, certain of which assist Stone Island to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Stone Island may be investment-related research, pricing information and market data, software and other technology used by Stone Island in furtherance of its investment advisory business operations. Any such benefits will comply with the Section 28(e) safe harbor under the Securities Exchange Act of 1934, as amended. At this time, Stone Island does not engage in soft dollar arrangements.

Research and brokerage services obtained by the use of commissions arising from the separately managed account's portfolio transactions may be used by Stone Island in its other investment activities and thus, the separately managed accounts may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although Stone Island will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker-dealer, commission rates are generally negotiable, and thus, selecting broker-dealer on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services create a potential conflict of interest between Stone Island and its clients.

For separately managed account clients, in the event a client requests that Stone Island recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Stone Island to use a specific broker-dealer/custodian), Stone Island generally recommends that investment management accounts be maintained at Pershing Advisor Solutions and Interactive Brokers.

This item is not applicable to RSP.

## **2. Brokerage for Client Referrals.**

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker-dealer is not excluded from receiving business because it has not been identified as providing research services.

Each separately managed account's securities transactions generate brokerage commissions and other compensation, all of which the respective separately managed account client, not Stone Island, will be obligated to pay.

This item is not applicable to RSP

## **3. Directed Brokerage.**

Separately managed account clients may direct Stone Island to use a particular broker-dealer (subject to Stone Island's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with such requested broker-dealer, and Stone Island will not seek better execution services or prices from other broker-dealers or, generally speaking, be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Stone Island. As a result, any such client requesting directed brokerage may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

This item is not applicable to RSP

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Stone Island may (but is not obligated to) combine or "batch" client orders to seek to obtain "best execution," to negotiate more favorable commission rates or to allocate equitably among Stone Island's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and generally will be allocated among Stone Island's clients in accordance with the procedures specified in this Brochure. Stone Island aggregates the purchase or sale of securities for accounts when to do so is in the client's best interest. In such circumstance, Stone Island will generally allocate on a pro rata basis among clients, unless investment restrictions or investment guidelines otherwise require.

This item is not applicable to RSP

### **Item 13 – Review of Accounts**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

The principals and other employees of Stone Island regularly review the portfolios of each separately managed account to determine if they are consistent with applicable investment objectives and restrictions as detailed in the client's Governing Documents. Separately managed account clients are encouraged to review investment objectives and account performance with Stone Island on an annual basis. The portfolio of RSP is similarly monitored.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Client reviews on another-than-periodic basis would occur in the event of performance anomalies and market volatility, and additionally, for separately managed accounts, if requested by the client.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Stone Island distributes monthly and annual written reports to separately managed account clients and to investors in RSP. Separately managed account clients receive transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor and have access to consolidated investment reporting statements.

RSP investors receive reports on a semi-annual basis. Fund investors receive (i) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of its the independent certified public accountant for the Fund in which they are invested, delivered within 120 days of fiscal year-end, (ii) a quarterly summary of investments and performance, (iii) a quarterly audited balance sheet and (iv) tax information necessary for the completion of tax returns (K-1s).

All reports are sent to investors in writing and/or delivered electronically. In addition, Stone Island has contact with clients and/or investors (personal visits, telephone calls and e-mails) throughout the year and as conditions warrant.

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

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of**

**interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Stone Island does not receive any monetary compensation or any other economic benefit from a non-client for the provision of investment advisory services to a client.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

Stone Island does not directly or indirectly compensate any person who is not a supervised person for client referrals and does not currently have any solicitation arrangements in place for client referrals.

### **Item 15 – Custody**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

For some of its separately managed account clients, Stone Island has entered into standing letters of authorization and thus is deemed to have custody of these assets. The Firm does not obtain a surprise custody examination of these assets in reliance on the Investment Adviser Association No Action Letter (“IAA No Action Letter”) dated February 21, 2017, as the Firm meets the criteria for no action relief set forth in the IAA No Action Letter. Stone Island does not maintain custody of separately managed account clients who have not entered into standing letters of authorization. Stone Island does not take physical possession of separately managed account client money or securities; separately managed account clients maintain their own independent relationships with their custodians and broker-dealers. All separately managed account client assets are held by qualified custodians and statements and transaction confirmation notices are sent directly to the underlying account holders. Clients are urged to carefully review these account statements received by a client’s qualified custodian and to compare them with the account statements provided by Stone Island.

With regard to RSP, by virtue of its ability to deduct fees from RSP’s accounts, Stone Island is deemed to have custody over the Fund. To comply with Advisers Act Rule 206(4)-2 (the “Custody Rule”), Stone Island has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to inspection by the Public Company Accounting Oversight Board for the Fund, copies of which are delivered to the Fund and their respective underlying investors within 120 days of fiscal year-end. Investors are encouraged to carefully review such financial statements. Stone Island does not accept physical possession of Fund money or securities; called capital is directly sent or wired to the Fund’s qualified custodial account. Stone Island receives monthly or quarterly statements from RSP’s custodians.

## **Item 16 – Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

In the case of separately managed account clients, by virtue of the investment management agreement entered into with each client, Stone Island generally has the authority to determine, without obtaining specific client consent: the securities bought and sold; the amount of securities bought and sold; the broker-dealer used; and the commission rates paid for transactions in client accounts. Stone Island's investment professionals are not limited in this authority except to the extent a client has established specific guidelines and/or prohibitions with respect to its investment account and specific securities.

For RSP, investment advice is provided directly to the Fund, and not to investors in RSP individually. Stone Island has discretionary authority based on the Fund Governing Documents to buy and sell securities or other investments on behalf of the Fund and to determine the amount of such investments to be bought and sold. The terms upon which Stone Island serves as an investment manager of the Fund was established at the time the Fund was established. Stone Island's authority to trade securities may be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Pursuant to the terms of the Governing Documents, however, Stone Island has entered into side letter arrangements with certain investors whereby the terms applicable to such investor's investment in RSP are altered or varied. Other Fund investors are not presented with consent rights regarding such side letter agreements.

To become an investor in RSP, an investor must execute a subscription agreement with the Fund. Such subscription agreements, and the other Fund Governing Documents, contain a power of attorney that generally grants Stone Island certain powers related to the orderly administration of the affairs of the Fund. Once an investor executes these documents, with limited exceptions, Stone Island is not required to contact an investor prior to transacting any business.

## **Item 17 – Voting Client Securities**

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

Stone Island does not vote client proxies on behalf of its separately managed account clients; separately managed account clients maintain exclusive responsibility for voting their own proxies.



With regard to RSP, Stone Island on occasion will be called upon to vote on matters requiring the consent of shareholders, and on such occasion Stone Island will do so in the best interest of RSP. Investors in the RSP cannot direct how Stone Island votes shareholder consents, nor is Stone Island required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

More information regarding Stone Island's proxy voting policy and how they voted proxies, if any, is available upon request, free of charge, from Stone Island's Chief Compliance Officer, Michael McAlister, at (630) 784-2200 or [mcm@stoneislandfp.com](mailto:mcm@stoneislandfp.com).

**B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

Not applicable.

#### **Item 18 – Financial Information**

**A. If you require or prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Stone Island does not require prepayment of more than \$1,200 in fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

**B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

Stone Island does not have a financial commitment that impairs its ability to meet contractual commitments to clients.

**C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

Stone Island has not been the subject of a bankruptcy petition at any time during the past ten years.

## Brochure Supplement

### **Form ADV Part 2B: BROCHURE SUPPLEMENT**

**SOUTH GEORGIA CAPITAL, LLC**

**d/b/a STONE ISLAND FINANCIAL PLANNING**

2135 City Gate Lane, Suite 460

Naperville, IL 60563

[www.stoneislandfp.com](http://www.stoneislandfp.com)

**March 27, 2020**

This brochure supplement (“Supplement”) provides information about South Georgia Capital, LLC (“Stone Island”) that supplements the South Georgia Capital’s ADV Part 2A brochure. Please contact Michael McAlister, Chief Compliance Officer, at (630) 784-220 if you did not receive a copy of the brochure or if you have any questions about the contents of this Supplement.

**Michael C. McAlister**

Year of Birth: 1978

Title: Founder and Chief Executive Officer

9835 E Bell Road

Suite 110

Scottsdale, AZ 85260

**Item 2 – Educational Background and Business Experience**

Mr. McAlister graduated with a bachelor's degree in Accounting from Trinity International University in 2001.

Mr. McAlister is the Founder and Chief Executive Officer of Stone Island. He is also the Founder of Raintree Capital Management, LLC, an exempt reporting adviser founded in 2018. Prior to joining Stone Island, Mr. McAlister worked at Morgan Stanley as a Financial Advisor and Senior Vice President from 2002 to 2009.

**Item 3 – Disciplinary Information**

Mr. McAlister has not been involved in any legal or disciplinary events required to be disclosed in this section.

**Item 4 – Other Business Activities**

In addition to his role with Stone Island, Mr. McAlister is the chief executive officer of Raintree Capital Management, an exempt reporting adviser which manages two hedge funds. While the businesses of each investment adviser differs, in order to mitigate any conflicts of interest with being involved with two investment advisers, Mr. McAlister ensures that any potential conflicts of interest are reviewed and addressed and that all clients and investors are aware of his role at both firms.

**Item 5 – Additional Compensation**

Mr. McAlister is also compensated for his role at Raintree Capital Management.

**Item 6 – Supervision**

For compliance matters, Mr. McAlister is supervised by Marni Springer, who can be reached at (630) 784-2200 or [marni@stoneislandfp.com](mailto:marni@stoneislandfp.com).

**Kristopher D. Johnson**

Year of Birth: 1977

Title: Director of Financial Planning

9835 E Bell Road

Suite 110

Scottsdale, AZ 85260

**Item 2 – Educational Background and Business Experience**

Mr. Johnson graduated with a bachelor's degree in Business Administration from Taylor University.

Mr. Johnson is the Director of Financial Planning at Stone Island and has worked at Stone Island since 2018. Prior to Stone Island, Mr. Johnson worked at Timothy Financial Counsel, Inc. from 2002 to 2018.

Mr. Johnson a Certified Financial Planner (CFP®). Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements: bachelor's degree from an accredited college or university; completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)); successful completion of the 10-hour CFP® Certification Exam; three-year qualifying full-time work experience; successfully pass the Candidate Fitness Standards and background check.

**Item 3 – Disciplinary Information**

Mr. Johnson has not been involved in any legal or disciplinary events required to be disclosed in this section.

**Item 4 – Other Business Activities**

Mr. Johnson is not engaged in any business activities outside of his role at Stone Island.

**Item 5 – Additional Compensation**

Mr. Johnson does not receive any additional compensation that is required to be disclosed.

**Item 6 – Supervision**

Mr. Johnson is supervised on compliance matters by Michael McAlister, Principal and Chief Compliance Officer, who can be reached at (630) 784-2200 or [mcm@stoneislandfp.com](mailto:mcm@stoneislandfp.com).

**Peter J. Klisiewicz**

Year of Birth: 1977

Title: Director of Trading and Operations

2135 City Gate Lane

Suite 460

Naperville, IL 60563

**Item 2 – Educational Background and Business Experience**

Mr. Klisiewicz graduated with a bachelor's degree in Finance from Elmhurst College in 1999.

Mr. Klisiewicz is the Director of Trading and Operations at Stone Island and has worked at Stone Island since 2009. Prior to Stone Island, Mr. Klisiewicz worked at Morgan Stanley from 2001 to 2009.

**Item 3 – Disciplinary Information**

Mr. Klisiewicz has not been involved in any legal or disciplinary events required to be disclosed in this section.

**Item 4 – Other Business Activities**

In addition to his role with Stone Island, Mr. Klisiewicz is a managing partner of Raintree Capital Management, an exempt reporting adviser which manages two hedge funds.

**Item 5 – Additional Compensation**

Mr. Klisiewicz is also compensated for his role at Raintree Capital Management.

**Item 6 – Supervision**

Mr. Klisiewicz is supervised on compliance matters by Michael McAlister, Principal and Chief Compliance Officer, who can be reached at (630) 784-2200 or [mcm@stoneislandfp.com](mailto:mcm@stoneislandfp.com).