

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

# **Union Heritage Capital, LLC**

**(SEC CRD# 309760)**

**7 West Square Lake Rd.  
Bloomfield, Michigan, 48304  
313-300-5977**

**June 23, 2020**

**This brochure provides information about the qualifications and business practices of Union Capital Heritage, LLC and its affiliates (collectively, “UHC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Dawn Batts at 313-300-5977 or Dawn@UnionHeritageCapital.com. 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 the Firm is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

**Item 2 Material Changes**

This is the initial Form ADV Part 2A for the Firm. In the future, material changes made to the Brochure since the previous filing will be provided here.

### Item 3 Table of Contents

TABLE OF CONTENTS	PAGE
Cover Page .....	1
Material Changes .....	2
Table of Contents .....	3
Advisory Business.....	4
Fees and Compensation .....	4
Performance-Based Fees and Side-By-Side Management.....	5
Types of Clients .....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	7
Other Financial Industry Activities and Affiliations.....	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	7
Brokerage Practices.....	8
Review of Accounts .....	12
Client Referrals and Other Compensation .....	13
Custody .....	13
Investment Discretion .....	13
Voting Client Securities .....	13
Financial Information.....	14
Requirements for State Advisers .....	14

#### **Item 4 Advisory Business**

Union Heritage Capital, LLC provides investment supervisory services to institutions through its wholly owned subsidiary and relying advisor, Union Capital Advisors, LLC (collectively, “UHC” or the “Firm”). UHC was formed in 2020 and is owned by Dawn Batts.

UHC accepts accounts from pension and profit sharing plans, state and local government plans, non-profit or charitable organizations and other registered investment advisers (on a sub-advisory basis). Portfolio management is provided on a discretionary basis according to the investment objectives and restrictions established with our clients.

UHC believes that its small firm size, in conjunction with the following policies and practices, results in client benefits:

- Adhering closely to a disciplined investment decision-making procedure applied consistently to all portfolios with similar objectives;
- Monitoring and adhering to clients investment guidelines and objectives; and
- Monitoring investment performance for each account regularly.

UHC does not participate in wrap fee programs.

As of June 23, 2020, the Firm had \$0 in regulatory assets under management.

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

##### **Advisory Fee Schedules**

Fees for UHCs investment advisory or sub-advisory services are based on an annual percentage of each account’s assets under management depending on the type of account. Fees are computed and payable quarterly in arrears, based on the value of the account at the end of the previous calendar quarter after advisory services are rendered and become due the following business day. Initial fees are calculated based upon the number of days in the quarterly period the account came under UHCs management and are based either on the quarter-end balance or on average monthly balances for the quarter, as provided in the relevant investment advisory agreement. All subsequent quarters are billed for the full quarter. Representative fees schedules for balanced, equity and fixed income accounts are set forth below.

##### **BALANCED AND EQUITY ACCOUNTS**

ANNUAL FEE		MARKET VALUE
1.0%	on the first	\$3,000,000
0.8%	on the next	\$2,000,000
0.7%	on the next	\$5,000,000
0.5%	on the nest	\$20,000,000
Negotiated on the value over		\$30,000,000

## FIXED INCOME ACCOUNTS

ANNUAL FEE	MARKET VALUE
0.7% on the first	\$3,000,000
0.4% on the next	\$12,000,000
0.3% on the next	\$10,000,000
Negotiated on the value over	\$25,000,000

Management fees are negotiable and may deviate from the fee schedule above. UHC reserves the right, in its sole discretion, to negotiate and charge different fees for certain accounts based on the client's particular needs as well as overall financial condition, goals, risk tolerance and other factors unique to the client's particular circumstances. There may also be differences in fees paid by certain clients based on account inception dates. Fees are not based on a share of capital gains upon or capital appreciation of an advisory client's accounts.

UHC's investment advisory agreements are mutually revocable at any time without penalty and continue in effect until written notice of termination is given by either party. Contracts canceled by clients within five (5) days of initial signing will not be charged an advisory fee. No fees are required to be pre-paid and, in the event of termination prior to quarter end, any outstanding fees are charged on a pro-rata basis.

Clients bear all execution and other costs associated with their accounts, including custody fees. Clients whose uninvested assets are swept into money market mutual funds for short-term cash management purposes by their custodians will also bear the additional fees and expenses assessed by such funds on their fund assets.

UHC does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. UHC is not affiliated with a broker-dealer.

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

Neither UHC nor any of its supervised persons received performance-based fees or side –by-side management fees in connection with any of its advisory accounts.

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

In addition to providing investment advice to pension and profit sharing plans, trusts, estates or charitable organizations, UHC may also provide investment advice on a sub-advisory basis, such as a manager to manager program in which UHC reports to another adviser and not directly to the client.

Our suggested minimum account size is \$50,000.

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

### **Methods of Analysis**

UHC does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Investing in any security entails risk of loss.

UHC uses the following methods of analysis in formulating its investment advice and/or managing client assets:

***Fundamental Analysis:*** UHC attempts to measure the intrinsic value of a security by looking at economic and financial factors (including overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating that it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Quantitative Analysis:*** UHC uses mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

***Qualitative Analysis:*** UHC subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that UHC's subjective judgment may prove incorrect.

***Risk for all forms of analysis:*** UHC's securities analysis methods rely on the assumption that the companies whose securities it purchases and sells, the rating agencies that reviews these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While UHC is alert to indications that data may be incorrect, there is always a risk that the analysis may be comprised by inaccurate or misleading information.

## **Investment Strategies**

UHC is a domestic equity manager whose overall objective is to provide long-term capital appreciation by investing in U.S. companies that have growth potential, are undervalued, and are trading below their risk-adjusted expected growth rates.

UHC uses the following strategy in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment guidelines and objectives.

***Long-term purchases:*** UHC purchases securities with the idea of holding them in the client's account for a year or longer. Typically UHC employs this strategy when UHC believes the securities to be currently undervalued.

A risk in a long-term purchase strategy is that by holding the security for this length of time, UHC may not take advantage of short-term gains that could be profitable to a client. Moreover, if UHC's predictions are incorrect, a security may decline sharply in value before UHC makes the decision to sell.

***Risk of Loss:*** Securities investments are not guaranteed and the client may lose money on their investments.

## **Item 9 Disciplinary Information**

UHC is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

UHC and its management personnel have no reportable disciplinary events to disclose.

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

Neither the Firm nor its officers or employees have any other financial affiliations or any material relationships or arrangements with other financial institutions.

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

UHC imposes restrictions upon itself and any person associated with it when effecting personal securities transactions. UHC's Code of Ethics was adopted by UHC in accordance with Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act") to govern the conduct of and personal transactions by supervised persons and access persons and to ensure that their interests do not conflict with the interests of UHC's clients. All UHC principals and employees with knowledge of investment recommendations and proposed transactions are treated as access persons under the Code of Ethics.

Before it or any person associated with UHC effects transactions for their own accounts in securities recommended to UHC clients, UHC requires that all transactions in discretionary client

accounts have previously been effected and that any clients with non-discretionary accounts are given adequate opportunity to act on such recommendation.

All access persons are required to notify the CCO in order to pre-clear personal securities transactions in IPOs and limited offerings and to pre-clear all other transactions in excess of certain stated exceptions. No UHC personnel may effect personal transactions in securities being recommended for purchase or sale for UHC clients within three days of such recommendations or transactions absent pre-clearance without approval from the CCO.

All access persons must provide to the CCO monthly reports of their personal securities transactions within 15 calendar days of the end of each calendar month, which may consist of monthly brokerage statements of all accounts in which they have a beneficial interest unless they have demonstrated to the CCO's satisfaction that they have no direct or indirect control over any such account. In addition, access persons must instruct their brokers to send to the CCO copies of all brokerage confirmations relating to all personal securities transactions in which they have a beneficial ownership interest. The Code of Ethics also requires all access persons to follow restrictions on giving gifts to, and receiving gifts from, clients or other specified parties, in violation of the gift policies set forth in the Code of Ethics. Additionally, all access persons are prohibited from intentionally spreading false rumors or engaging in collusive activity as set forth in the Code of Ethics. And finally, all access persons shall advise the CCO of any involvement in litigation or when making political contributions as set forth in the Code. A copy of the Code is available to any client or prospective client upon request.

## **Item 12 Brokerage Practices**

Generally, UHC is retained on a discretionary basis and is authorized to make the following determinations in accordance with clients' specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are effected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, the Firm may accept advisory accounts with limited discretion or where investments are client-directed pursuant to the management agreement or side letter.

### **Selection Criteria for Brokers and Dealers**

Absent specific client direction of a broker dealer without regard to best execution, the Firm places all orders for the purchase or sale of securities with the primary objective of obtaining the best price and execution from responsible broker-dealers at competitive commission rates. The Firm insists on a high standard of quality regarding execution services and deals only with brokers that can meet that standard. The commission rates paid by the Firm's clients are reviewed by UHC's principal on a regular basis.



UHC's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions on an overall basis. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant.

The factors include, but are not limited to: UHC's knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered; UHC's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

When buying or selling securities in dealer markets, UHC may, subject to best execution, deal directly with market makers either on a commission basis or on a "net" basis, without paying the market maker any commission, commission equivalent or markup/markdown other than the "spread." Net trades mean that the market maker profits from the "spread," that is, the difference between the price paid (or received) by UHC and the price received (or paid) by the market maker in trades with other broker-dealers or other customers. Most NASDAQ securities are now traded on a commission basis as more and more market makers shift from principal to agency trading. UHC may also place over-the-counter (OTC) trades with a broker on an agency basis. It is possible that clients may incur transaction costs in addition to any commissions charged by an executing broker when trades in OTC securities are executed on their behalf through brokers used by UHC.

### **Commission Rates or Equivalents Policy**

UHC endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. However, UHC will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although UHC generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services which will help UHC in providing investment management services to clients. UHC may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

## **Batch Transaction Policy**

As part of the duty to seek best price and execution, UHC may, but is not required to, “bunch” or batch together purchases or sales for several clients and allocate the trades, in a fair and equitable manner, across participating client accounts. While UHC may effect trades in this manner to reduce the overall level of brokerage commissions paid or otherwise enhance the proceeds or other benefits of the trade for its clients, UHC may direct transactions to brokers based on both their ability to provide high quality execution and the nature and quality of research services, if any, such brokers provide to UHC. As a result, clients may not always pay the lowest available commission rates where their trades are effected in this manner, so long as UHC believes that it is nonetheless obtaining best price and execution.

UHC may also consider the following when allocating trades: (1) cash flow changes (including available cash, redemptions, exchanges, capital additions and capital withdrawals) may provide a basis to deviate from a pre-established allocation as long as it does not result in an unfair advantage to specific accounts or types of accounts over time; (2) accounts with specialized investment objectives or restrictions emphasizing investment in a specific category of securities may be given priority over other accounts in allocating such securities; and (3) for bond trades, street convention and good delivery may dictate the minimum size and par amounts.

*Pro rata* allocation is generally used when a batch order, which usually involves only non-directed accounts and seeks only liquid, actively traded securities, cannot be fully executed in a single day, unless the client has expressly directed otherwise. The partial fill is generally allocated among the participating client accounts based on the size of each account’s original order, subject to rounding in order to achieve “round lots”. Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. UHC will generally apply a minimum order allocation amount of 100 shares, which may be adjusted based on market convention associated with the particular security. If remaining positions are too small to satisfy the minimum order amount, UHC may decide to allocate the remaining shares to those accounts seeking large positions which were unfilled. UHC may also decide to allocate remaining shares to those accounts whose orders would be completed as a result of the allocation. Other methods of allocation may be used where *pro rata* allocation is deemed by UHC to be less appropriate than such alternative means. Random allocation is especially appropriate when the transaction size is too limited to be effectively allocated *pro rata* among all eligible managed accounts.

## **Client-Directed Brokerage Transactions**

Clients may limit UHC’s discretionary authority in any or all of the situations described above. In particular, clients may direct UHC to use particular broker-dealers to execute portfolio transactions for their accounts. For clients who choose to direct their brokerage, UHC cannot offer any assurances that it will be able to obtain the same execution quality as for fully discretionary clients. However, UHC generally continues to seek best execution notwithstanding such constraints. Where a client directs the use of a particular broker-dealer, or broker-dealers, UHC may not be in

a position where it can negotiate commission rates or spreads or obtain volume discounts and best price may not be achieved.

In addition, transactions for a client that directs brokerage may not be combined or “batched” for execution purposes with orders for the same securities for other accounts managed by UHC. Trades for a client that has directed use of a particular broker or dealer may be placed at the end of batched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if UHC could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution.

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

In allocating brokerage, UHC may take into consideration the receipt of research services as long as such consideration does not jeopardize the objective of seeking best price and execution in connection with the transaction. When appropriate under its discretionary authority and consistent with the duty to seek best execution, UHC may direct brokerage transactions for client accounts to broker-dealers who provide UHC with research and brokerage products and services. The brokerage commissions used to acquire research in these arrangements are known as “soft dollars.”

Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by broker-dealer). UHC may use soft dollars to acquire either type of research.

SEC regulations provide a “safe harbor” which allows an investment adviser to pay for research and brokerage services with the commission dollars generated by client account transactions. In determining whether a service or product qualifies as research or brokerage, UHC evaluates whether the service or product provides lawful and appropriate assistance to UHC in carrying out its investment decision-making responsibilities.

The receipt of research in exchange for soft dollars benefits UHC by allowing UHC, at no cost to it, to supplement its own research and analysis activities, to receive the views and information of individuals and research staffs of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of economy and market factors. Research services acquired with soft dollars may include reports on industries, sectors and individual companies or issuers; statistical information; risk measurement; and financial and market database services.

The determination and evaluation of the reasonableness of the brokerage commissions paid in connection with portfolio transactions are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to it concerning the level of commissions being paid by other investors

of comparable size and type. UHC may select broker-dealers based on its assessment of each broker-dealer's ability to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit client accounts. It is not possible to place a dollar value on the special executions or on the research services UHC receives from dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by UHC may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions if UHC determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or UHC's overall duty to discretionary accounts.

Research obtained with soft dollars may not be utilized by UHC for the specific account that generated the soft dollars. Because UHC may routinely batch client transactions, brokerage commissions attributable to one or more client accounts may be allocated to brokers who provide statistical data and other research used by UHC in managing the accounts of other clients, and vice versa. UHC does not usually attempt to allocate the relative costs or benefits of research among client accounts because it believes that, in the aggregate, the research it receives benefits clients and assists UHC in fulfilling its overall duty to clients.

UHC may receive directives from certain clients to make a "best efforts" attempt to transact business with a client-designated broker in consideration for services received solely by that client from the broker. In such instances, only the client's own soft dollars are used. Primary consideration is still given to seeking best execution of such client-directed transactions.

UHC will not enter into any agreement or understanding with any broker-dealer which would obligate UHC to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

UHC may receive "mixed use" items through a brokerage firm (products or services that provide both research and non-research benefits). For mixed use services, UHC may use available soft dollar credits for the research portion and pay cash for the non-research portion. Although the allocation between soft dollars and cash is not always capable of precise calculation, UHC will make a good faith effort to allocate such items reasonably. Records of any such allocations and payments will be prepared.

Within the last fiscal year, UHC did not use soft-dollars for any research products or services.

### **Item 13    Review of Accounts**

All accounts are reviewed by UHC's principal (unless there is more than 1 portfolio manager) at least once a month, or more frequently if market circumstances warrant. Each review includes a comparison to the client's investment policy as well as a review of general investment decisions made for the account.

Most clients receive written quarterly performance reports from UHC. In addition, clients generally receive monthly holdings reports and quarterly performance reports from their own independent custodians and/or consultants.

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

UHC may, from time to time, enter into and maintain referral arrangements with third parties. Any such arrangements involving cash referral fees will be in compliance with Advisers Act Rule 206(4)-3 including the referral agreement and related activities. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser prior to the payment of cash fee directly or indirectly, for a client solicitation or referral.

#### **Item 15 Custody**

UHC does not have actual or constructive custody of client accounts. Clients are strongly urged to compare performance reports received from UHC with statements received from their account custodian.

#### **Item 16 Investment Discretion**

Generally, UHC is retained on a discretionary basis and is authorized to make the following determinations in accordance with clients' specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are effected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, UHC may accept advisory accounts with limited discretion or where investments are client-directed pursuant to the management agreement or side letter.

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

UHC has written proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6. Under these policies and procedures, UHC votes proxies relating to equity portfolio securities in the best interest of clients, unless the client contract specifies that UHC will not vote.

UHC uses an external proxy voting agency to provide research, vote recommendation and execution and record keeping services, including but not limited to documenting:

- the account that owns the security;
- the date the proxy was received;
- the date the proxies are due to be voted;
- the meeting agenda;
- management recommended vote; and
- the external proxy voting agency recommended vote and support for all votes against management.

The CCO will review this information electronically and forward to the principal or analyst, as applicable, to ensure that any unusual or controversial issues are addressed and written client specific guidelines are followed. The principal or analyst will decide to accept or reject the external proxy voting agency's recommendations.

#### Basis for Voting Decisions

- Individual Accounts with Proxy Voting Policy. An appropriate investment manager or analyst will make proxy voting decisions for an individual account in accordance with the plans proxy voting policy as communicated to UHC, unless UHC decides that to follow such policy in a particular instance would violate ERISA.
- Individual Accounts with No Proxy Voting Policy. An appropriate investment manager or analyst will make proxy voting decisions for an individual account in accordance with UHCs proxy voting policy as described in this document for any account that has not communicated a proxy voting policy to UHC in writing.

Clients may obtain copies of UHCs written proxy voting policies and procedures as well as information on how proxies were voted for their own account by requesting such information from UHC at the address and phone listed on page 1 of Part 2 of this Form ADV. UHC will not disclose proxy votes for a client to other clients or third parties unless specifically requested, in writing, by the client. However, to the extent that UHC may serve as a sub-adviser to another adviser to a client, UHC will be deemed to be authorized to provide proxy voting records on such client accounts to such other adviser.

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

Under no circumstances does UHC require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, UHC is not required to include a financial statement.

However, as an advisory firm that maintains discretionary authority for client accounts, UHC is required to disclose any financial condition that is reasonably likely to impair the Firm's ability to meet its contractual obligations. UHC has no additional financial circumstances to report.

#### **Item 19 Requirements for State-Registered Advisers**

Not Applicable