

Part 2A of Form ADV: Firm Brochure

**Meliora Capital, LLC (CRD #172367)
1601 S. Main Str., Ste. 500
Tulsa, OK 74119
Telephone: 918.619.6710
Contact: J.P. Szafranski
www.melcapital.com**

December 31, 2020

Meliora Capital, LLC is an investment adviser registered with the United States Securities and Exchange Commission. Such registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Meliora Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 918-619-6710. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Meliora Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There have been no material changes to our business since our last ADV filing.

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1. Advisory Business

Meliora Capital, LLC was founded in June, 2014. The firm's principal owners are J.P. Szafranski and Chas Craig. The firm primarily provides asset management services and financial advice to individuals and institutions.

The firm manages two proprietary, separate account based equity strategies: (1) Multi-Cap Value Equity Strategy and (2) Master Limited Partnership Strategy. While some clients may choose to invest in only one or both proprietary strategies, other clients have Meliora Capital manage diversified, balanced accounts based on clients' suitability and unique circumstances. Balanced accounts are typically achieved by using the firm's proprietary strategies and primarily supplementing them with low cost index mutual funds or exchange traded funds for diversification to achieve a suitable level of expected risk and return.

Meliora Capital, LLC provides the Private Client Services solution for clients meeting the additional account minimum (see Section 4), for those wishing to restrict the firm's discretionary authority (see Section 13) and/or for those wishing to have more frequent contact with the firm to discuss the management of the client's portfolio (see Section 10).

As of December 31, 2020, Meliora Capital, LLC managed \$54,819,207 on a discretionary basis and \$26,739,255 on a non-discretionary basis.

2. Fees and Compensation

Meliora Capital, LLC is compensated based upon a set percentage of the market value of the assets of the client account. Clients are billed on a quarterly basis, in arrears, based upon the value of the assets in the client account on the last business day of the previous quarter. The standard fee rate is 1% annually (0.25% each quarter). The firm reserves the right to make its management fee rate negotiable at its discretion.

Management fees will be deducted directly from the assets in client accounts. However, on a limited and case-by-case basis, the firm may, at its discretion, alternatively choose to bill clients for the balance due. Clients may also incur brokerage transaction costs as investment securities are purchased and sold. See Section 9 for more information regarding brokerage transactions. Clients may also be subject to custodial fees and mutual fund fees.

3. Performance-Based Fees and Side-By-Side Management

Neither Meliora Capital, LLC nor any of its supervised persons accepts performance-based fees (fees based upon a share of capital gains on or capital appreciation of the assets of a client).

4. Types of Clients

Meliora Capital, LLC's clients and prospective clients primarily include individuals, trusts and foundations and institutions of various types including endowments, pension plans and corporations.

The firm's minimum initial portfolio size is \$250,000 for investment advisory clients. The firm's Private Client Services minimum portfolio size is \$5,000,000. The firm reserves the right to amend and to provide exceptions to these minimum portfolio amounts.

5. Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss which clients should be prepared to bear. The following sections describe Meliora Capital, LLC's investment strategies and our methods of analysis:

Multi-Cap Value Equity Strategy

Investment Philosophy

Value investing, as we define it, is accomplished in multiple ways. Regardless of the specific situation, our goal is to purchase stocks with a high probability of receiving a meaningfully higher value within a reasonable period of time, with expected returns always weighed against risk characteristics.

We believe that building a portfolio of stocks in which we have significant knowledge and confidence is the best way to add value as equity portfolio managers.

Investment Opportunity Types:

- Relative Value
 - Trading at an unreasonable discount to industry peers
- Under-Appreciated Growth Potential
 - Better-than-expected growth in profits will result in higher valuation
- Out of Favor Industry Expected to Improve
 - Depressed industry-wide valuations recover as conditions improve
- Special Situations
 - Spin-outs, M&A, Restructurings, and other catalysts for additional value realization

Investment Goal

Our goal is to achieve excellent rates of total return. One way we measure our success is to compare our results to the return of the total U.S. stock market as measured by the Russell 3000 Total Return Index.

Investment Process

The investment team consists of the Chief Investment Officer and the Director of Research. The Chief Investment Officer makes final purchase and sale decisions. The Director of Research is critical to every element of the investment process, including assistance with idea generation, quantitative analysis and portfolio construction.

Our analytical process is primarily “bottom-up,” but we take our assessment of macro-economic, financial and industry conditions into account as part of the portfolio construction process. We do this because it is impossible to assess a company’s value in isolation from its industry and macro-economic circumstances.

Primary Sources of Research:

- Company Financial Filings
- Bloomberg Historical Financial and Valuation Data (see below)
- Company Specific and Industry News
- Company Conference Call Transcripts
- Company Investor Presentations
- Management Meetings/Calls
- Other Expert Meetings/Calls
- Sell Side Brokerage Research

Key Financial Metrics:

- Attractive and Sustainable Profitability
 - Gross Profit Margin
 - Operating Profit Margin
 - Return on Assets, Equity and Invested Capital
- Balance Sheet Strength
 - Leverage Ratios
 - Liquidity Ratios
- Cash Flow Characteristics
 - Operating Cash Flow
 - Free Cash Flow

- Valuation Metrics
 - Enterprise Value/EBITDA
 - Price to Earnings
 - Price to Book Value
 - Price to Cash Flow (& Free Cash Flow)
 - Dividend Yield

Sell Discipline: As the market value of a security approaches or begins to exceed our estimate of its intrinsic value, we will begin to reduce or eliminate the position. We will also sell securities when we determine that the underlying business prospects have deteriorated materially relative to our base case expectations.

Risk Factors

- General Stock Market Risk
 - Broad stock market prices are subject to fluctuations in general corporate profitability and in the price that investors are willing to pay for a given level of earnings power. Both types of fluctuations can result in volatility and thus create uncertainty about investment returns.
- Macroeconomic Risk
 - Equity portfolio values are exposed to changes in macroeconomic factors such as real economic output and inflation. For example, during periods of recession, when economic activity decreases, companies often experience declining sales and profits. Equity values are a function of what investors are willing to pay for expected future profits. When profits decline, stock prices often decline as well. Rising inflation often results in rising interest rate levels. Equity investors alter the price they will pay for a given level of earnings based upon material changes in market interest rate expectations. Higher inflation often will result in lower stock prices, all else equal.
- Business-specific Risk
 - All companies have idiosyncratic risks specific to their circumstances. For example, poor company management can result in deteriorating financial condition with a resulting impairment in equity value. Also, sometimes the general profitability of an entire industry will decline, affecting the stock prices of all companies in that particular industry. If the decline in industry profitability is not cyclical in nature but rather resulting from a fundamental secular change, the resulting impairment could be permanent.
- Concentration Risk
 - Meliora Capital's Multi-Cap Value Equity Strategy will oftentimes dedicate significant percentages of the overall portfolio to stocks in

which we have the highest confidence. While we expect these instances will contribute to positive portfolio performance, if such positions decline in value, the market value of the overall portfolio could be significantly impacted.

Master Limited Partnership Strategy

Investment Philosophy

Publicly traded Master Limited Partnerships (MLPs), as an asset class, are structurally attractive for multiple reasons, including their high distribution payouts, relatively stable cash flows and tax-advantaged treatment.

Within the MLP sector, our focus is primarily on midstream partnerships (The strategy also has flexibility to own midstream C corporations.) that own and operate high quality and long-lived energy infrastructure assets. We maintain a disciplined focus on expected return versus the risk characteristics for all the securities we follow.

We believe that building a portfolio of securities in which we have significant knowledge and confidence is the best way to add value as equity portfolio managers.

Investment Opportunity Types:

- Core
 - MLPs with dominant asset footprints, high quality management and solid financial strength with visible future growth prospects
- Small Cap/Dropdown Stories
 - MLPs that are small and/or newly public which are expected to grow rapidly in the near-term through acquisitions and organic growth capital expenditures
- General Partners
 - Publicly-traded General Partners (GPs) that control an MLP and receive an asymmetrically large proportion of its future growth via Incentive Distribution Rights (IDRs)
- Special Situations
 - Spin-outs, M&A, Restructuring, and other catalysts for additional value realization

Investment Goal

Our goal is to achieve excellent rates of total return. One way we measure our success is to compare our results to the return of the overall asset class as measured by the Alerian MLP Total Return Index.

Investment Process

The investment team consists of the Chief Investment Officer and the Director of Research. The Chief Investment Officer makes final purchase and sale decisions. The Director of Research is critical to every element of the investment process, including assistance with idea generation, quantitative analysis and portfolio construction.

The investment team uses the below-listed Sources of Research and Key Financial Metrics to assess the investable MLP universe in order to accomplish our goal of achieving excellent rates of total return. We analyze partnerships' asset quality, management quality, cash flow stability and future growth prospects. We develop proprietary valuations, using methods such as dividend discount modeling and target yields.

Our analytical process is primarily "bottom-up," but we take our assessment of macro-economic, financial and industry conditions into account as part of the portfolio construction process. We do this because it is impossible to assess a company's value in isolation from its industry and macro-economic circumstances.

Primary Sources of Research:

- Company Financial Filings
- Bloomberg Historical Financial and Valuation Data (see below)
- Company Specific and Industry News
- Company Conference Call Transcripts
- Company Investor Presentations
- Management Meetings/Calls
- Other Expert Meetings/Calls
- Sell Side Research

Key Financial Metrics:

- Attractive and Sustainable Distribution
 - Current Distribution Yield
 - Distribution Coverage Ratio
 - Distributable Cash Flow/Total Distributions Paid
 - Expected Distribution Growth Rate
- Cost of Capital
 - Cost of Equity
 - Based upon out year expected distributions
 - Incentive Distribution Rights burden included
 - Cost of Debt

- Balance Sheet Strength
 - Leverage Ratio
 - Debt/EBITDA
 - Liquidity Metrics
 - Cash and Borrowing Capacity
 - Additional Equity Issuance Needs
 - Debt Maturity Profile
- Cash Flow Metrics/Quality
 - Adjusted EBITDA
 - Distributable Cash Flow
 - Maintenance Capital Expenditures
 - Contract Type/Tenor
- Valuation Metrics
 - Yield
 - Enterprise Value/EBITDA
 - Price to Distributable Cash Flow (DCF)

Sell Discipline: As the market value of a security approaches or begins to exceed our estimate of its intrinsic value, we will begin to reduce or eliminate the position. From time to time, we may also employ a covered call* strategy to enhance portfolio income and reduce positions as they appreciate in value. We will also sell securities when we determine that the underlying business prospects have deteriorated materially relative to our base case expectations.

*A covered call strategy is an instance where an investor holds a long position in a security and also sells a call option, giving the option-buyer the right, but not the obligation to purchase the underlying asset at the contractual price within the contractual time period. The covered call seller receives a cash payment upfront in exchange. Covered call writing is a basic options strategy in which the associated risk is the possible opportunity cost of being forced to sell an asset for a price below its future market price.

Risk Factors

- General Stock Market Risk
 - Broad stock market prices are subject to fluctuations in general corporate profitability and in the price that investors are willing to pay for a given level of earnings power. Both types of fluctuations can result in volatility and thus create uncertainty about investment returns.
- Macroeconomic Risk
 - Equity portfolio values are exposed to changes in macroeconomic factors such as real economic output and inflation. For example, during

periods of recession, when economic activity decreases, companies often experience declining sales and profits. Equity values are a function of what investors are willing to pay for expected future profits. When profits decline, stock prices often decline as well. Rising inflation often results in rising interest rate levels. Equity investors alter the price they will pay for a given level of earnings based upon material changes in market interest rate expectations. Higher inflation often will result in lower stock prices, all else equal.

- **Commodity Price Risk**
 - The MLPs in Meliora Capital's strategy are involved in various facets of the energy industry. Many MLPs have some degree of commodity price exposure in their profits. In many cases, if oil, natural gas or natural gas liquids prices decline, an MLP's profits will decline. While many other MLPs take no or very little direct commodity price risk, they are still exposed in the sense that they remain subject to changes in volumes. Dramatic commodity price changes in either direction pose risks to midstream MLP volumes.
- **Business-specific Risk**
 - All companies have idiosyncratic risks specific to their circumstances. For example, poor company management can result in deteriorating financial condition with a resulting impairment in equity value. Also, sometimes the general profitability of an entire industry will decline, affecting the stock prices of all companies in that particular industry. If the decline in industry profitability is not cyclical in nature but rather resulting from a fundamental secular change, the resulting impairment could be permanent.
- **Concentration Risk**
 - Meliora Capital's Master Limited Partnership Strategy will oftentimes dedicate significant percentages of the overall portfolio to companies in which we have the highest confidence. While we expect these instances will contribute to positive portfolio performance, if such positions decline in value, the market value of the overall portfolio could be significantly impacted.
- **Tax & Regulatory Risk**
 - The energy industry is subject to significant levels of regulation. Increased levels of regulation and the resulting expense to comply could impact MLPs' profitability. Also, the U.S. tax code currently allows publicly traded partnerships to generate only certain types of qualifying income. If the tax code were amended to constrict qualifying income or the MLP structure in general, MLP valuations, cash flows and earnings would likely be materially negatively affected.

6. Disciplinary Information

Registered investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business and the integrity of its management. Meliora Capital, LLC has no information to disclose that would be applicable to this item.

7. Other Financial Industry Activities and Affiliations

Neither Meliora Capital, LLC nor its principals are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Meliora Capital, LLC nor its principals are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above entities.

Meliora Capital, LLC does not recommend or select investment advisers for our clients, nor do we have any business relationships with such advisers that would create a conflict of interest. Since we do not pursue such activities, we do not receive any compensation related to such activities.

8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Meliora Capital, LLC has adopted the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards). All employees are subject to the Code and Standards, which aim to place the integrity of the profession and the interests of clients above our own interests. All employees must act with integrity, competence, and respect as well as maintain and develop his or her professional competence. A copy of our full Code of Ethics is available for any client or prospective client upon request.

Employees may buy or sell securities that are also part of our proprietary strategies. This could create a conflict of interest if our employees were to receive more favorable prices as compared to our clients' accounts. We mitigate this potential conflict by ensuring that employees cannot buy or sell such securities until the firm has had the opportunity to buy or sell them for clients' accounts. To ensure compliance with this policy, all employees must have their trades pre-cleared by a firm principal prior to execution.

9. Brokerage Practices

As a fiduciary (includes Meliora and all RIA representatives of the firm) to our clients, we seek to achieve best execution when trading securities for our clients. We select broker-dealers for client transactions based on multiple factors, including the following items:

- Their financial strength and stability.
- Their ability to execute trades in a timely and efficient manner, considering the size of the order relative to the security's trading liquidity.
- Their ability to transact consistently and reliably based upon trading instructions provided, at favorable prices, taking into account commissions charged.
- Their ability to execute a block trade of securities that would otherwise take a significant amount of time to transact.
- Their competitiveness of commission rates in comparison to competing brokers who also meet the above criteria.

We have no formal brokerage commission commitments. While Meliora Capital, LLC, generates most investment ideas internally, from time-to-time, we may direct trades to a brokerage firm that has provided "sell-side" brokerage research that has been useful to our analytical process. The brokerage firm in this case may charge a commission rate higher than may be available from another firm. However, we have no formal soft dollar arrangements with any brokers regarding compensation for any research or other services. We may receive an economic benefit because we do not have to produce or pay for such research, products or services that we find useful.

We would permit a client to direct brokerage. If a client directs a brokerage arrangement it is possible that the client will not receive best execution as directing brokerage may cost the client more money as a result of possibly higher commission rates and/or the client may receive less favorable execution prices. The client would need to make this request in writing. As part of the written correspondence, the client must acknowledge that best execution might not be obtained.

Whenever possible the firm will aggregate client orders for the purchase and sale of securities. By aggregating orders each client will receive the same average execution price in a given day. Once a purchase decision is made, a trade list shall be built by a Meliora Capital employee including all accounts for which the security is suitable and consistent with the client's IPS and/or investment management contract.

In the event of a partial fill for an order, the accounts on the trade list will be filled on a pro rata basis consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct which Meliora Capital has adopted.

Regarding the pro rata trade allocation policy, client accounts will be allocated a minimum of \$3,000 worth of the security in question and the remaining amount of the security to buy must exceed \$3,000 based on the execution price of the previous day's trade. If neither of the above considerations can be met, the entire remaining amount of the client's allocation should be filled. Once the accounts subject to the minimum restrictions set forth above are met, the remaining accounts on the trade list will be allocated on a pure pro rata basis.

The process for allocating sell orders is identical to the process laid out above for buy orders with the exception that the trade list is merely the existing holders list.

Certain circumstances can preclude client accounts from being included in aggregated trades. For example, client accounts held at different custodians may have to be executed separately. Also, client-directed trade orders from non-discretionary accounts may be executed separately. Further, certain minimum account size restrictions can preclude client accounts from being included in aggregated trades. It is possible that such non-aggregated orders could receive less favorable execution than had they been included in an aggregated order.

10. Review of Accounts

Meliora Capital, LLC reviews client accounts on an ongoing basis to ensure they are invested in a manner consistent with client investment objectives. The Chief Investment Officer and Director of Research use the firm's portfolio management software to assist in this regular monitoring process.

Additionally, the relationship manager responsible for each client will conduct portfolio reviews on at least an annual basis. This review will inquire as to any changes to the client's financial situation that could impact the return or risk objectives of the portfolio in addition to any relevant constraints.

On a quarterly basis the firm will provide to each client a quarterly report package listing current holdings with market values, performance data regarding portfolio total return and a statement of investment management fees.

11. Client Referrals and Other Compensation

Meliora Capital, LLC does not receive any economic benefit from non-clients for providing investment advice or other advisory services to our clients. Neither the firm nor any related person compensates any persons for client referrals.

12. Custody

With the exception of the ability to debit management fees directly from client accounts held at a qualified custodian, Meliora Capital, LLC does not have custody of

client funds or securities. Client assets will be held at a custodian that is mutually agreed upon by the client and the firm.

Clients will receive account statements at least quarterly from this custodian. Such account statements should be reviewed carefully and compared to the quarterly reports distributed by Meliora Capital, LLC. These reports may vary from the custodial statements as a result of accounting procedures, reporting dates or valuation methods for certain securities.

13. Investment Discretion

Meliora Capital, LLC accepts discretionary authority to manage securities accounts on behalf of clients. Discretionary authority is defined as the firm having the authority to choose which securities to buy or sell and the amounts of which to buy or sell in order to effectively manage its strategies without obtaining specific consent from the client.

Discretionary authority is authorized as part of the firm's Investment Management Contract, which must be executed prior to such discretionary authority becoming effective. Clients choosing to restrict discretionary authority, either the authority to choose specific securities to buy or sell or the amounts of which to buy or sell, must do so in writing in Section 3 – (Relevant Constraints) of the Investment Management Contract.

14. Voting Client Securities

Clients may delegate proxy-voting authority to Meliora Capital, LLC. Clients choosing not to delegate voting authority will receive proxies directly from their custodian.

For clients delegating proxy-voting authority to Meliora Capital, it is the firm's policy to vote proxies for securities held in our proprietary strategies. However, we may not vote on an issue if we view it to be routine, procedural and/or inconsequential to the security's value and/or quality of governance. If a client chooses to hold a security that is not a part of a Meliora Capital, LLC proprietary strategy, we will not vote its proxies unless given specific voting instructions by the client in writing.

Our policy is to vote proxies in accordance with the goal of maximizing the value of our clients' investments. If a conflict of interest arises in connection with the voting of our clients' securities, we will vote based upon the following principles:

- A Board of Directors should be substantially independent (company management should make up less than 50% of its members).
- Key Board committees should have significant independence from management (nominating, audit, compensation committees).

- Management compensation should be limited to an amount considered appropriate given the company's performance and its peers.
- We typically oppose poison pills or other strategies used to discourage hostile takeovers from potential acquirers.
- We typically support the separation of the roles of Chairman of the Board and Chief Executive Officer.

Clients may contact the firm if they wish to learn details about proxy votes cast on their behalf. Upon request, clients can also obtain a copy of the firm's proxy voting policies and procedures.

The firm may from time to time have clients that are affiliated with a publicly traded company in which other clients invest. Also, employees, the firm or its affiliates may have a personal or business relationship with issuers or individuals who serve as officers or directors of issuers. Additionally, employees, the firm or its affiliates may own a significant number of an issuer's securities.

15. Financial Information

Meliora Capital, LLC does not require prepayment of fees. We do not believe the firm faces any financial condition that would be reasonably likely to impair its ability to meet its contractual commitments to clients. We have never been the subject of a bankruptcy petition.

16. Additional Information

Meliora Capital, LLC's Principal Executive Officers:

J.P. Szafranski was born in 1982 and is the firm's Chief Executive Officer and Chief Investment Officer. Mr. Szafranski is a CFA Charterholder and began his professional career in 2005. He completed the CFA Program, consisting of three annual exams, in 2011. He graduated from the University of Oklahoma as a finance major with a Bachelor of Business Administration in 2005. From 2008 to 2014, Mr. Szafranski was employed at Pinnacle Investment Advisors in Tulsa, Oklahoma fulfilling multiple roles and responsibilities as a financial analyst and portfolio manager.

Chas Craig was born in 1986 and is the firm's President, Director of Research and Chief Compliance Officer. Mr. Craig is a Certified Public Accountant and a CFA Charterholder. His professional career began in 2010 after graduating from Oklahoma State University with degrees in both accounting and finance in 2009. After working as an associate auditor at PricewaterhouseCoopers, Mr. Craig joined Pinnacle Investment Advisors in 2010 where he served as a financial analyst and portfolio manager.

Background Information Related to the CFA Program and Designation:

The Chartered Financial Analyst (CFA) credential has become the most respected and recognized investment designation in the world. The CFA Program curriculum covers concepts and skills bridging academic theory, current industry practice and ethical and professional standards to provide a strong foundation of advanced investment analysis and real-world portfolio management skills. In addition to passing the three annual exams, CFA candidates must have a minimum of four years of qualified investment work experience.

Background Information Related to the CPA Program and Designation:

Certified Public Accountants (CPAs) are trusted financial advisors who help individuals, businesses and other organizations plan and reach their financial goals. The process of becoming a CPA involves passing four rigorous exams covering Financial, Regulation, Business and Audit. Additionally, in order to sit for the CPA exam in Oklahoma one must have completed 150 semester hours and hold a Baccalaureate degree. Within the 150 hour requirement above, 30 semester hours must be in accounting above introductory level (minimum of one auditing course), 9 upper division hours must be in business courses and at least 76 credit hours must be upper division.