

Breacher Capital Advisors, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Breacher Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 12035641998 or by email at: info@breachercapital.com. 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 Breacher Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Breacher Capital Advisors, LLC's CRD number is: 307943.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

Breacher Capital Advisors, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business	2
Item 5: Fees and Compensation.....	3
Item 6: Performance-Based Fees and Side-By-Side Management	4
Item 7: Types of Clients	5
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss	5
Item 9: Disciplinary Information.....	9
Item 10: Other Financial Industry Activities and Affiliations.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12: Brokerage Practices	11
Item 13: Review of Accounts.....	12
Item 14: Client Referrals and Other Compensation.....	12
Item 15: Custody	12
Item 16: Investment Discretion.....	13
Item 17: Voting Client Securities (Proxy Voting)	13
Item 18: Financial Information.....	13

Item 4: Advisory Business

A. Description of the Advisory Firm

Breacher Capital Advisors, LLC (hereinafter “BCA”) is a Limited Liability Company organized in the State of Connecticut. The firm was formed in February 2020, and the principal owners are Joseph P Conte and Arthur J Holly.

B. Types of Advisory Services

Portfolio Management Services

Private Funds

BCA seeks to identify potential investment opportunities and cause pooled investment vehicles to be established to invest in such opportunities. These private funds will be established as investment opportunities develop to allow for participation in such investment opportunities. BCA will provide continuing advice to such pooled investment vehicles. Currently, BCA manages the following private funds: **BREACHER ABSOLUTE RETURN STRATEGY, L.P.** and **BREACHER ENHANCED RETURN STRATEGY, LP.** Investors in the private funds should carefully review all fund documents, including but not limited to the private placement memorandum and the limited partnership agreement.

Investment Company

BCA also serves as subadviser to an investment company registered under the Investment Company Act of 1940: **CATALYST SYSTEMATIC ALPHA FUND** (Series: S000045922 | Mutual Fund Series Trust CIK#: 0001355064). Investors in the mutual fund should carefully review all fund documents, including but not limited to the fund prospectus.

BCA seeks to ensure that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BCA’s economic, investment or other financial interests. To meet its fiduciary obligations, BCA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client/fund portfolios. It is BCA’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients (the funds) on a fair and equitable basis over time.

Services Limited to Specific Types of Investments

BCA generally limits its investment advice to equities, equity index futures, ADRs, ETFs, and private placements, but may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

BCA offers the same suite of services to all of its clients (the funds). Investors are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BCA does not participate in any wrap fee programs.

E. Assets Under Management

BCA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$500,000	\$0	April 2021

Item 5: Fees and Compensation

A. Fee Schedule

BCA as adviser to Private Funds

BREACHER ABSOLUTE RETURN STRATEGY, L.P.

Total Assets	Annual Management Fee (on all assets managed)	Annual Performance Fee (on capital appreciation)
All Assets	0.00%	40.00%

BREACHER ENHANCED RETURN STRATEGY, LP

Total Assets	Annual Management Fee (on all assets managed)	Annual Performance Fee (on capital appreciation)
All Assets	1.50%	15.00%

The private funds (and thus the qualified clients investing therein) will pay an annual fee of assets under management, as applicable, along with a performance fee based on capital appreciation, as applicable. If the portfolio rises in value, then the fund client will pay the applicable performance fee on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.”

BCA as subadviser to Mutual Fund

CATALYST SYSTEMATIC ALPHA FUND

Total Assets	Subadviser Annual Management Fee (i.e., BCA' share)
All Assets	0.75%

Investors should be aware that the manager of the mutual fund charges a management fee based on assets under management, and then remits a portion of that management fee to BCA as subadviser. BCA's subadviser fee / portion is 75 basis points, as noted above.

B. Payment of Fees & Termination

Fees are withdrawn from the fund client as disclosed in the applicable fund's governing documents. Investors are permitted to withdraw money from the funds, or leave the fund entirely, only as permitted in the applicable fund's governing documents.

C. Client Responsibility For Third Party Fees

The funds are responsible for the payment of all third party fees set forth in the governing documents. Those fees are separate and distinct from the fees and expenses charged by BCA.

D. Prepayment of Fees

BCA collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither BCA nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

BCA manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and also accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because BCA and/or its supervised persons have an incentive to favor accounts for which BCA receives a performance-based fee. BCA addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. BCA seeks best execution and upholds its fiduciary duty for all clients.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7: Types of Clients

BCA generally provides advisory services to the following types of clients:

- ❖ Mutual Funds
- ❖ Private Funds

Each fund has its own account minimum as reflected in the governing fund documents.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

Investors in each fund should carefully review all fund documents, including but not limited to the private placement memorandum and the limited partnership agreement for private fund investors and the mutual fund prospectus for mutual fund investors. These documents will have greater detail regarding Methods of Analysis, Investment Strategies, & Risk of Loss than this firm brochure.

A. Methods of Analysis and Investment Strategies

Methods of Analysis

BCA's methods of analysis include Fundamental analysis, Modern portfolio theory and Quantitative analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Investment Strategies

BCA primarily utilizes a long/short equity strategy that involves long term investing, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

BCA's recommendation of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long/Short Equity involves taking long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline. A long/short equity strategy seeks to minimize market exposure, while profiting from stock gains in the long positions and price declines in the short positions.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments.

These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

BCA's recommendation of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Futures contracts are agreements to buy or sell a specific amount of a commodity or a financial instrument at a particular price on a stipulated future date. Futures trading can involve a high amount of leverage, with a relatively small amount of money used to establish a position in assets having a much greater value, and may involve significant losses during a very short period of time.

An **American depositary receipt (ADR)** is a negotiable security that represents securities of a non-US company that trades in the US financial markets, which has certain of the same risks as investing directly in non-U.S. securities. Non-U.S. Securities present certain additional risks such as currency fluctuation, political and economic change, social unrest,

changes in government regulation, differences in accounting, and the lesser degree of accurate public information available.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither BCA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

BCA is currently exempt (NFA ID: 0528983) and expects to eventually register as a Commodity Pool Operator.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Joseph Peter Conte is an accountant and from time to time, may offer clients or investors advice or products from those activities, which may involve a conflict of interest. BCA always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of BCA in connection with such individual's activities outside of BCA.

Additionally, certain BCA personnel are affiliated with the private funds. Investors should be aware that these services may involve a conflict of interest; however, BCA always acts in the best interest of the client.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

BCA does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

BCA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. BCA's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

BCA and its associated persons have material financial interests in issuers of securities that BCA recommends for purchase or sale by clients. Specifically, BCA's associated persons are affiliated with the funds and BCA will recommend investment in the funds. This presents a conflict of interest in that BCA or its related persons may receive more compensation from investment in a security in which in which BCA or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. BCA always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of BCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BCA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of BCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, BCA will never engage in trading that operates to the client's disadvantage if representatives of BCA buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

BCA does not recommend brokers/custodians.

1. Research and Other Soft-Dollar Benefits

BCA receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

BCA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker-Dealer/Custodian to Use

BCA will choose the specific broker-dealer to execute transactions.

B. Aggregating (Block) Trading for Multiple Client Accounts

If BCA buys or sells the same securities on behalf of more than one fund client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, BCA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. BCA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews

All client accounts for BCA's advisory services provided on an ongoing basis are reviewed at least monthly by Joseph Conte, CFO, with regard to the funds' respective investment objectives. All accounts at BCA are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review

Non-periodic reviews may be triggered by material market, economic, or political events, or by changes, if any, in fund's investment objectives.

C. Content and Frequency of Regular Reports Provided to Clients

Investors in the private funds receive annual statements. Investors in the mutual fund receive an updated prospectus no less than annually.

Item 14: Client Referrals and Other Compensation

BCA does not receive any material economic benefit, directly or indirectly from any third party for advice rendered to its clients.

BCA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

BCA is deemed to have custody over the funds and securities invested in pooled investment vehicles that BCA manages.

Item 16: Investment Discretion

BCA provides discretionary investment advisory services to the funds, meaning BCA manages the accounts and makes investment decisions without consulting investors as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17: Voting Client Securities (Proxy Voting)

BCA acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. BCA will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. BCA may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, BCA may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between BCA and a client, then BCA will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting BCA in writing and requesting such information. Each client may also request, by contacting BCA in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Item 18: Financial Information

A. Balance Sheet

BCA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither BCA nor its management has any financial condition that is likely to reasonably impair BCA's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

BCA has not been the subject of a bankruptcy petition.