



BRASADA CAPITAL MANAGEMENT, LP

3200 Southwest Freeway
Suite 2160
Houston, TX 77027
(713) 630-8390

E-mail: info@BrasadaCapital.com

Website: www.BrasadaCapital.com

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This brochure provides information about the qualifications and business practices of Brasada Capital Management, LP. If you have any questions about the contents of this brochure, please contact us at 713-630-8390 and/or www.BrasadaCapital.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.

Brasada Capital Management, LP is a registered investment advisor. Registration with the SEC or any other state securities authority does not imply any level of skill or training.

Additional information about Brasada Capital Management, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Brasada Capital Management, LP is providing this annual update to the “Brochure” for the fiscal year ended December 31, 2022. A summary of material changes since the last annual update of this Brochure is as follows:

- Item 4 – The Adviser updated its assets under management.

We will provide other ongoing disclosure information about material changes, as necessary.

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A. General Description of Firm

Brasada Capital Management, LP, (“Brasada” or “Firm”) a Texas limited partnership, was created in June 2008 and has its principal place of business in Houston, Texas. Brasada provides investment advisory services on a discretionary basis to a private pooled investment vehicle (the “Fund”), sub-advised accounts (the “Sub-Advised Accounts”) and separately managed accounts (the “Separate Accounts”), each a “Client” and collectively referred to herein as the “Clients.”

Principal owners of the Firm are Mark Edward McMeans and James Gabriel Birdsall.

B. Advisory Services

Brasada serves as the investment manager to a private fund (the “Fund”). The Fund’s objective is to maximize long-term, risk-adjusted absolute returns through long/short equity investments, or through exposure from derivative instruments where appropriate, predominantly in US-based companies. The Fund seeks to accomplish this objective by purchasing securities whose growth prospects are believed to be under-appreciated by the market, while shorting companies perceived by the Firm to be fundamentally challenged. This objective will be driven by a bottom-up investment process and supplemented by risk management and hedging strategies.

Brasada provides sub-advisory services, governed by an investment management agreement between Brasada and the unaffiliated advisor(s). As sub-advisor, Brasada is granted trading authority, but does not have the authority to make any withdrawals or transfers. In its sub- advisory capacity, Brasada does not provide any custodial functions.

Brasada also provides investment advisory services to Separate Accounts. Brasada’s investment advisory services include but are not limited to the management, operation and control of the investment and trading activity of its Clients’ account(s) and monitoring activity to ensure the Clients’ account holdings correspond with their stated investment objectives.

C. Customized Advisory Services

Outside of the advisory services listed above, Brasada does not tailor its advisory services to the individual needs of its Fund investors. However, Brasada’s Sub-Advised and Separate Account Clients can impose investment guidelines, limitations and other restrictions such as investing in certain securities or types of securities. All investment guidelines and restrictions regarding the management of the Sub-Advised and Separate Account clients are pursuant to the terms and conditions stated in each privately negotiated investment management agreement.

D. Wrap Fee Programs

Neither Brasada nor its Clients participate in any wrap fee programs.

E. Assets Under Management

As of 12/31/2022, Brasada had approximately \$590 million in regulatory assets under management, the majority of which were managed on a discretionary basis.

Item 5 – Fees and Compensation

A. Compensation for Advisory Services

For the Fund, Brasada charges an annual 1.5% management fee based on the capital account balance of each limited partner of the Fund. The management fees are calculated on a monthly basis and paid quarterly in advance. The Fund's independent administrator calculates the management fees, which in turn are verified by Brasada.

The Fund's General Partner (the "General Partner"), Brasada Capital Partners, LP (an affiliate of Brasada), is entitled to an annual performance-based profit allocation of 20% of the Fund's annual net profits attributable to each limited partner, but only to the extent that such profits exceed any losses carried forward from prior years, based on a "high water mark" formula. Net profit includes unrealized appreciation or depreciation of marketable positions but generally includes only realized amounts in the case of the Fund's non-marketable investments. The performance allocation is calculated according to the guidelines stipulated in the Fund's partnership agreement and private placement memorandum. All such performance fee arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Both the management fee and performance allocation are negotiable.

For the Sub-Advised Accounts and the Separate Accounts, the annual management fee ranges from 1%-1.5%, depending on investment objectives and the needs of the Client. Management fees are based on account values and are generally calculated and paid quarterly in arrears. All fees are negotiated with each client prior to entering into an investment management agreement and are subject to the terms and conditions stated therein.

B. Payment of Fees

For the Fund, management fees are calculated and paid quarterly in advance. Performance allocations are calculated and paid annually. Both the management fees and the performance allocations are deducted from the Fund's assets.

For the Sub-Advised Accounts, management fees are paid directly to Brasada by the unaffiliated advisor.

For the Separate Accounts, management fees are generally deducted directly from each Separate Account Client's custodial account(s) each quarter. Brasada has the discretion to negotiate payment terms for the Separate Accounts.

C. Other Fees and Expenses

In addition to the fees described in *Item 5.A.* above, the Fund bore the expenses of the organization of the Fund, and it bears the expenses related to the offering of interests, including legal and accounting fees and "blue sky" filing fees and expenses.

The Fund also bears the costs and expenses directly related to its investment program, including expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees, the fees and expenses of risk and portfolio management systems, and any withholding or transfer taxes. The Fund also bears all out-of-pocket costs of the administration of the Fund, including accounting, audit and legal expenses, and costs of any litigation or investigation involving the Fund's activities. The Fund also bears the costs associated with reporting and providing information to existing and prospective investors. However, Brasada may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund. The Fund does not have its own separate employees or office, and it does not reimburse Brasada for salaries, office rent and other general overhead costs of Brasada. A portion of the commissions generated on the Fund's brokerage transactions could generate "soft dollar" credits that Brasada is authorized to use to pay for research and research-related services and products. It is Brasada's policy to limit such use of soft dollars to fall within the safe harbor of Section

28(e) of the Securities Exchange Act of 1934 (Exchange Act), as amended or otherwise reasonably related to the investment decision-making process. See *Item 12* for more information on Brokerage practices.

Brasada's Sub-Advised Accounts pay management fees to Brasada as described in *Item 5.A.* above as well as incur some brokerage and other transactional costs. Additionally, these Sub-Advised Accounts could have other expenses such as custodian fees which are processed by the custodian.

Brasada's Separate Accounts pay management fees to Brasada as described in *Item 5.A.* above and also incur some brokerage and other transactional costs.

D. How Fees are Paid or Refunded

As notated in *Item 5.B.* above, management fees for the Fund are paid quarterly in advance. Capital contributions from investors accepted after the commencement of a quarter are subject to a pro-rated management fee reflecting the time remaining during the quarter. These amounts are calculated by the independent administrator which Brasada has engaged to perform certain financial, accounting, administrative and other services on behalf of the Fund, including the preparation of interim financial statements, the calculation of Fund investment performance, the calculation of any fees payable to the General Partner of the Fund, and the preparation of interim reports to investors. In the situation where an investor withdraws capital during the quarter, the independent administrator would calculate any fees owed to the investor who would then receive a refund.

Fees for the Sub-Advised Accounts are paid quarterly in arrears.

Fees for the Separate Accounts are generally paid quarterly in arrears.

E. Additional Compensation and Conflicts of Interest

Neither Brasada nor any of its supervised persons accept compensation for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-by-Side Management

As mentioned in *Item 5.A.* above, the Fund's General Partner, is entitled to an annual performance-based profit allocation at the end of each year of 20% of the Fund's annual net profits attributable to each investor, but only to the extent that such profits exceed any losses carried forward from prior years, based on a "high water mark" formula. Net profit includes unrealized appreciation or depreciation of marketable positions but generally includes only realized amounts in the case of the Fund's non-marketable investments. All such performance fee arrangements comply with Rule 205-3 under the Advisers Act.

Brasada does not receive performance-based fees from its Sub-Advised or Separate Accounts.

Although Brasada manages three different distinct types of products with varying fee structures, Brasada avoids conflict by allowing its Clients to select which product strategy/objective is best suited to their needs regardless of the fee structures. Brasada also manages a Client account (the Fund) with a performance fee, the collection of which could incentivize Brasada to favor the Fund over other Client accounts. Brasada has compliance policies around the allocation of investment opportunities to mitigate conflicts of interest, so that Clients receive fair and equitable treatment in regard to the allocation of investment opportunities. Each of the product types offered by Brasada is run by a different portfolio manager (the "PM").

As of 12/31/2022, the majority of Brasada's managed assets were in non-performance fee-paying products.

Item 7 – Types of Clients

The Fund's investors can include high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, partnerships, corporations and other institutions. The minimum initial investment in the Fund is \$1,000,000. Brasada may accept smaller amounts in its sole discretion.

Sub-advisory services are only offered to unaffiliated advisors that Brasada believes are qualified to understand the investment risks involved with Brasada's various investment strategies.

Separate Account clients can include individuals, retirement plans, trusts, partnerships, corporations, or other businesses.

A. Methods of Analysis and Investment Strategies

Fund:

The Fund's investment strategy begins with a bottom-up driven investment process. Investment ideas come primarily from the PM's experience in covering stocks in this discipline for many years, quantitative screens, qualitative fundamental analysis, meetings with company's management and industry and sell-side research conferences. Long positions will focus on stocks that the PM believes to have above average earnings growth, the ability to generate cash flow, and where management is demonstrating that they are good stewards of capital through metrics like return on investment and return on invested capital. Fundamental analysis is an important consideration, in addition to the PM's quantitative views, to understand the company's growth drivers and whether that growth is sustainable. Long positions also must have reasonable valuation levels, in the PM's view, where the PM believes the market has underappreciated the company's future growth prospects. Short positions will focus on fundamentally challenged companies and industries identified through this same research process.

Under normal market conditions, the Fund will be actively managed and diversified across various market capitalizations and sectors. The capital allocation decisions will be based on what the PM believes to be the best opportunities available to gain exposure to identified positions and will include various investment strategies within equities, exchange traded funds, options, convertible or preferred stock and/or various combinations of each. The goal is to possess a collection of investments with a superior risk/reward profile to that of the broader market.

All investments risk the loss of capital. No guarantee or representation is made that the Fund's strategies will be successful, and investment results could vary substantially over time.

Sub-Advised and Separate Accounts:

Brasada's investment strategies are designed to help its Clients meet their financial goals within the specific guidelines and restrictions outlined in the investment management agreement signed by each Client. Each account is evaluated based on the Client's objectives, risk tolerance and any special considerations. These parameters ultimately provide the basis for asset allocation and security selection. Portfolios will typically be comprised of equity securities, exchange traded funds, fixed-income instruments and mutual funds, and are typically constructed with prevailing mid- to long-term trends in mind.

All investments risk the loss of capital. No guarantee or representation is made that the accounts' strategies will be successful, and investment results could vary substantially over time.

B. Risk

As mentioned above, the strategies used by all of Brasada's Clients involve risk. Risk is inherent in all investing. Such risks could include the following:

Diversification. If a portfolio is not widely diversified, it could be subject to more rapid changes in value than would be the case if an investor maintained a wide diversification among companies, industries and types of securities. This limited diversity could expose an investor to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in the investor's investments.

Investment Judgment / Market Risk. The profitability of a significant portion of the Firm's investment programs depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. Prices can fluctuate in response to, among other things, investor sentiment, general economic and market conditions, regional or global instability, and currency and interest rate fluctuations. There can be no

assurance that Brasada will be able to accurately predict these price movements. With respect to the investment strategies utilized for a Client account, there is always some, and occasionally a significant, degree of market risk. Changing market and economic conditions could lead to investor losses.

Reliance on Third-Party Research. Brasada may rely on research provided by unaffiliated third parties. Brasada cannot and does not independently verify the accuracy of or the assumptions or calculations underlying any research provided by third parties.

Portfolio Turnover. In general, Client accounts are not restricted in effecting transactions by any specific limitations with regard to portfolio turnover rates. Portfolio investments can be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments. A high rate of portfolio turnover involves correspondingly greater brokerage commissions and fees, which will be borne directly by the Client.

Illiquidity. Some investments could be (or become) illiquid, and consequently an investor may not be able to sell such investments at prices that reflect the investor's assessment of their value, or the amount paid for such investments. Illiquidity can result from the absence of an established market for a security, as well as legal, contractual or other restrictions on its resale. Furthermore, the nature of the investment, especially those in financially distressed companies, may require a long holding period prior to profitability. For the Fund, the partnership agreement authorizes the General Partner to make distributions in-kind of securities in lieu of or in addition to cash. In the event the General Partner makes distributions of securities in-kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer.

Short Sales. Investors can enter into transactions known as "short sales," in which they sell a security they do not own in anticipation of a decline in the market value of the security. Short sales that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short could continuously increase. An investor can mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, an investor might have difficulty purchasing securities to meet short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet such short sale obligations at a time when fundamental investment considerations would not favor such sales.

Derivatives. Derivative instruments, or "derivatives," include futures, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement could not only result in the loss of the entire investment but could also expose investors to the possibility of a loss exceeding the original amount invested. Derivatives could also expose investors to liquidity risk (as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts) and to counterparty risk. The counterparty risk lies with each party with whom an investor contracts for the purpose of making derivative investments (the "Counterparty"). In the event of the Counterparty's default, the investor will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Leverage. Subject to applicable margin and other limitations, an investor can borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the investor's portfolio would be amplified. Interest on borrowings will be an expense to the investor. In addition, an investor could possibly create leverage via the use of instruments such as options and other derivative instruments.

Options. Investing in options can provide a greater opportunity for profit or risk of loss than an equivalent investment in the underlying asset. The value of an option could decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that could become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller could be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which could, upon exercise of the option, be significantly different from the market price of the asset.

Competitive Markets. The investments industries in general, and the markets in which the Firm intends to trade, are extremely competitive. In pursuing its trading methods and strategies, the Firm could compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which a commodity interest or investment could be purchased and the expected price received upon consummation of the transaction.

Exchange Traded Funds and Other Similar Instruments. An exchange traded fund (ETF) is an investment company that is registered under the Investment Company Act of 1940 (1940 Act) that holds a portfolio of securities designed to track the performance of a particular index, sector, commodity or other asset. ETFs sell and redeem their shares at net asset value in large blocks (typically 50,000 of their shares) called "creation units." Shares representing fractional interests in these creation units are listed for trading on national securities exchanges and can be purchased and sold in the secondary market in lots of any size at any time during the trading day.

There are other instruments similar to ETFs that represent beneficial ownership interests in specific "baskets" of securities of issuers within a particular industry sector or group. These other instruments could also be listed on national securities exchanges and purchased and sold in the secondary market, but unlike ETFs, are not registered as investment companies under the 1940 Act.

Investments in ETFs and similar instruments involve certain inherent risks generally associated with investments in a broadly-based portfolio of securities including risks that the general market value of the portfolio's holdings could decline, thereby adversely affecting the value of each unit of the ETF or similar instrument. In addition, these instruments may not fully replicate the performance of their benchmark because of the temporary unavailability of certain benchmark-related securities in the secondary market or discrepancies between the instrument and its benchmark with respect to the weighting of securities or number of securities held. Because ETFs and pools that issue similar instruments bear various fees and expenses, investments in these instruments will involve certain indirect costs, as well as transaction costs, such as brokerage commissions. Brasada considers the expenses associated with an investment in determining whether to invest in an ETF or similar instrument.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in US securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the US dollar (the currency in which the books of an investor are maintained) and the various foreign currencies in which the securities will be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the US and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; and (iv) the extension of credit, especially in the case of sovereign debt.

Prepayment/Call Risk. If interest rates fall, it is possible that issuers of debt securities with high interest rates will prepay or call their securities before their maturity dates. In this event, the proceeds from the called securities would likely be reinvested by the account(s) in securities bearing a new, lower interest rate, resulting in a possible income decline in the account(s).

Credit Risk. Credit risk refers to the possibility that the issuer of a debt security will be unable to make interest and/or principal payments when due, thereby causing a decrease in value to the issuer's securities and lowering the issuer's credit rating.

High Yield Bond (Junk Bond) Risk. Junk bonds involve a greater risk of default or price changes due to changes in the credit quality of the issuer. The values of junk bonds fluctuate more than those of high-quality bonds in response to company, political, regulatory or economic developments. Values of junk bonds can decline significantly over short periods of time.

Interest Rate Risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. Specific bonds differ in their sensitivity to changes in interest rates depending on their individual characteristics, including duration.

Municipal Securities Risk. Constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives, and the issuer's regional economic conditions could affect a municipal security's value, interest payments, repayment of principal and the account(s)' ability to sell it. Failure of a municipal security issuer to comply with applicable tax requirements could make income paid thereon taxable, resulting in a decline in the security's value. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

Reinvestment Risk. Reinvestment risk is the risk that a bond's cash flows (coupon income and principal repayment) will be reinvested in securities with a lower interest rate than on the original investment. Reinvestment risk is more likely when interest rates are declining.

Potential Public Health Crisis. A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the outbreak of COVID-19 in 2020, could have an adverse impact on global, national and local economies, which in turn could negatively impact Clients' investments. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact a security's value, including by delaying or causing supply chain disruptions or by causing staffing shortages for an issuer. In addition, the imposition of travel restrictions may impact the ability of the Firm's personnel to travel in connection with potential or existing Client investments, which could negatively impact the ability of the Firm to effectively identify, monitor, operate and/or dispose of investments. Finally, the outbreak of COVID-19 has contributed to volatility in financial markets, including changes in interest rates. While the COVID-19 outbreak currently appears to be under control, with commercial and financial activities returning to more normal pre-pandemic levels, future public health crises could once again reduce the availability of debt financing for an issuer and potential purchasers of an issuer's investments, which could have a material and adverse impact on a Client's investment returns. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to an issuer's performance.

Force Majeure. Advisory Clients' investments may be affected by force majeure events (i.e. events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, war, terrorism and labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from an issuer, cause personal injury or loss of life, damage property, or instigate disruptions of service. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an issuer. Certain force majeure events (such as war) could have a broader negative impact on the world economy and international business activity generally.

Failure of Counterparties to Perform Obligations. In its ordinary course of business, Brasada relies on various counterparties, which include, but are not limited to, brokers, dealers, banks, custodians, and administrators (“Counterparties”). These Counterparties, with which Brasada does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty’s bankruptcy, insolvency, or other failure. A Counterparty’s default on their obligations may impact the Adviser’s or the Fund’s ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Adviser or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty’s default, Brasada will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Clients and the Fund. However, Brasada’s access to capital is subject to a variety of external factors that are outside of the Adviser’s control, including the timing of default, a government agency’s or other organization’s actions, including the timing of the Counterparty’s closure, ability to liquidate the Counterparty’s assets, or to effect the Counterparty’s sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty’s technology infrastructure operating as intended to facilitate access. Furthermore, the Adviser’s ability to access capital may have an impact on the Adviser’s and the Fund’s ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

More information about investment risks involved with the Fund can be found in the Fund’s offering documents.

C. Risks Associated with Particular Types of Securities

In general, Brasada does not primarily recommend a particular type of security for the Fund or Separate Accounts. Brasada’s Sub-Advised Accounts currently invest substantially in municipal bonds. Risks associated with investments in municipal bonds are outlined above in *Item 8.B*.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events affecting Brasada or its employees that are material to the evaluation of Brasada by a Client or prospective client.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration

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

B. Futures Commission, Commodity Pool Operator or Commodity Trading Adviser Registration

Neither Brasada nor any of its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading adviser or any other position with the foregoing entities.

C. Material Relationships or Arrangements

As noted in *Item 5* above, the Fund's General Partner is an affiliate of the Firm. Since the General Partner is entitled to receive a performance allocation from the Fund, this could create an incentive for the Firm to make investments that are riskier or more speculative than would be the case if such an arrangement was not in effect. However, as noted in *Item 11* below, the Firm has adopted a written Code of Ethics that contains policies and procedures to address conflicts of interest. Under such policies and procedures, the Firm is required to make investment decisions for the Fund in a manner that is consistent with its fiduciary duties to the Fund. Additionally, the affiliation and possible conflicts of interest are discussed with prospective investors prior to their investment in the Fund.

Additionally, Brasada Advisors, LLC serves as the general partner to both Brasada Capital Partners, LP (the General Partner of the Fund) and Brasada. Brasada Advisors, LLC does not receive any advisory fees from the Clients and only serves in the capacity mentioned above. As such, the relationship does not create a material conflict of interest with the Firm or its advisory Clients.

D. Recommendation or Selection of Other Advisers

Brasada does not recommend or select other investment advisers for its Clients, nor does it have any business relationships with any advisers that might create a material conflict of interest.

A. Code of Ethics

Brasada has adopted a written Code of Ethics designed to mitigate and avoid material conflicts of interest as required under Rule 204A-1 of the Advisers Act.

The following basic principles guide all aspects of Brasada's business and represent the minimum standards to which Brasada expects employees to adhere:

1. The interests of Brasada's Clients will come before employees' personal interests, except when employee Clients are receiving the same investment advice as Brasada's Clients, subject to any further provisions set forth in a Client's offering documents;
2. Brasada will fully disclose all material facts about conflicts of which it is aware between the Firm and its employees' interests on the one hand and Clients' interests on the other;
3. Employees will operate on Brasada's and their own behalf consistently with Brasada's disclosures to and arrangements with Clients regarding conflicts and its efforts to manage the impacts of those conflicts;
4. Brasada and its employees will not take inappropriate advantage of the Firm or their positions of trust with or responsibility to its Clients;
5. Brasada and its employees will always comply with all applicable securities laws.

It is each employee's duty to consider and adhere to these principles in all of his or her activities that involve Brasada and its Clients and to report to the CCO any activities he or she believes may constitute or involve a violation of any law or any provision of this Code.

If requested, Brasada will provide at no cost a copy of its Code of Ethics to Clients or prospective clients.

B. Financial Interest in Client Transactions

Brasada has a material financial interest in the success of the Fund since it receives a management fee and is entitled to an annual profit-based allocation from the Fund, as described in Item 5, above. As such, Brasada acknowledges such financial interest when it recommends securities to its other Clients or engages in trades of such securities for Client accounts (including employee-Clients). Aside from the aforementioned interest in the Fund, Brasada does not have a direct material interest in any securities purchased or sold for any Client accounts. If a material interest situation occurred, the proposed transaction would be reviewed and allowed only if it would be in the best interests of the Clients and if it did not violate any laws or create an appearance of impropriety. Brasada acknowledges that non-Client employees could also trade in securities as other Client accounts, but only in accordance with the Firm's Code of Ethics which provides for such trading so long as all Client trades for any given day have been fully executed and the size of the employee trade cannot materially affect the value of such security. Brasada has personal trading policies in place in its Code of Ethics, including a blackout period and front running prohibition, to address and mitigate conflicts of interest.

C. Employee Interest in Securities Recommended to Clients

Brasada and its employees do have interests in securities that are recommended to Clients, as they often invest in alongside Client accounts. Brasada could purchase or sell for its Clients, securities of an issuer in which Brasada or its employees also have a position or interest. Brasada's Code of Ethics contains policies and procedures that seek

to ensure that all personal securities trading by Brasada's employees are conducted in such a manner as to avoid and mitigate conflicts of interest or any abuse of an individual's position of trust and responsibility. All personal securities transactions by employees must be conducted in accordance with the requirements of Brasada's Code of Ethics. Among other things, Brasada's policies require that certain personal securities transactions by employees be approved in advance by Brasada's compliance department. Employees must report certain personal securities holdings upon employment and periodically thereafter, and arrange for certain duplicate confirmations and account statements to be sent to Brasada's compliance department.

Brasada requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); requires periodic reporting of personal securities transactions and all holdings; places other restrictions on employee personal trading; and requires prompt internal reporting of Code violations. Brasada endeavors to maintain current and accurate records of all personal securities accounts of its employees in an effort to monitor all such activity.

D. Conflicts of Interest Between Employee and Client Trades

Brasada and its employees can invest in securities in which Brasada has invested Clients' assets, but only if those securities are permitted by Brasada's policies and procedures and pre-cleared in those instances required by these policies. However, those policies and procedures include a number of exemptions in which pre-clearance is not required. Before approving a proposed employee transaction that requires pre-clearance, some of the factors that are reviewed include:

- Whether the transaction represents an investment opportunity that should be offered to the Firm's Client accounts (which could include employee Client accounts) before employees take advantage of it;
- Whether the transaction involves a security that is being bought or sold for Clients or is being considered for purchase or sale on behalf of Clients;
- Whether the transaction might create an appearance of impropriety.

If a conflict arises, Brasada makes decisions in the best interest of its Clients (which could include employee Clients) over itself or any related persons.

A. Broker Selection

Brasada selects brokers for its direct securities transactions based on a number of factors, including the following: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services and other services considered by Brasada to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying Brasada's other selection criteria.

Research and Other Soft Dollar Benefits: The term "soft dollars" refers to the receipt by an adviser of products and services provided by brokers, without any cash payment by the adviser, usually based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the adviser, but not always. Such research services include both services generated internally by a broker's own research staff and services obtained from a third-party research firm. Research includes reports and analyses concerning specific issuers, industries or sectors; market, financial and economic forecasts and other data; and statistics and pricing services. It can also include hardware, software, databases, and tele-communications services, equipment and facilities that are used by Brasada for research purposes. Section 28(e) of the Exchange Act provides a "safe harbor" to advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in the performance of investment decision-making responsibilities. It is the policy of Brasada to limit such use of soft dollars to fall within the safe harbor of Section 28(e) of the Exchange Act or otherwise reasonably related to the investment decision-making process.

During Brasada's last fiscal year, designated transactions executed through the Fund's prime broker generated the soft dollar benefits that Brasada received.

Research services provided to the Fund or to Brasada by brokers are available for the general benefit of all Client accounts advised by the Firm. Brasada believes that these research products and services are valuable in supplementing their own research and analysis, and that they improve the quality of the investment advice provided to all Client accounts. Only those research products and services that are beneficial to the Fund will be paid for using soft dollars generated by the Fund. Fees for any non-Fund related research products and services will be paid for by Brasada.

Additionally, Brasada recognizes that there are additional secondary soft dollar benefits made available by a Client's custodian including other products and services that benefit Brasada but may not necessarily benefit Clients' accounts. These benefits could include national, regional or specific to Brasada, educational events organized and/or sponsored by a Custodian. Other potential benefits could include occasional business entertainment of Brasada personnel by a vendor's personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which could accompany educational opportunities. Other products and services can assist Brasada in managing and administering Clients' accounts. These include software and other technology (and related technological training) that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of Brasada's fees from its Clients' accounts, and assist with back-office training and support functions, recordkeeping and Client reporting. Many of these services generally can be used to service all or some substantial number of Brasada's Client accounts, including accounts not maintained at the Custodian providing such services. Client custodians can also make available to Brasada other services intended to help Brasada manage and further develop its business enterprise. These services could include professional compliance, legal and business consulting,

publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, a Client custodian can make available, arrange and/or pay vendors for these types of services rendered to Brasada by independent third-parties. Client custodians could discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Brasada. While, as a fiduciary, Brasada endeavors to act in its Clients' best interests, Brasada's recommendation/requirement that Clients maintain their assets in accounts at a specific custodian may be based in part on the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by such Custodian, which could create a conflict of interest.

To the extent that brokers provide Fund-related research products and services to Brasada, the Firm is relieved of expenses that it might otherwise bear, and this could be construed as a possible conflict of interest.

Brokerage for Client Referrals: Brasada does recommend particular brokerages to its Clients. The preferred brokerages offer benefits to Brasada due to the ease of utilizing the administrative services associated with it.

Directed Brokerage: Brasada has no affiliation with any broker-dealer. Brasada does not formally recommend, request or require any Client choose a particular custodian.

Understanding that directed brokerage could be unable to achieve the most favorable executions, Brasada's Sub-Advised and Separate Account Clients can still instruct Brasada to direct brokerage on a case-by-case basis.

In the event of a bond trade, the Separate Accounts can execute the trade as a "Trade Away Trade," which allows Brasada to buy or sell the bond with a broker of its choosing. Such transactions benefit the Client by providing a larger pool of investment opportunities. The bonds are then delivered to/from the Client's original custodial account. Trade Away Trades usually incur a custodian fee.

B. Order Aggregation

The purchases and sales of securities for the Fund are run independently from Brasada's other Clients and are not aggregated with any of the other Client accounts.

Trades in Brasada's Sub-Advised Accounts with the same investment strategies and objectives are aggregated and allocated on a pro rata basis based on the size of the accounts' assets and available investable cash.

When possible, trades in Brasada's Separate Accounts are aggregated and allocated on a pro rata basis.

When possible, trades in Brasada's Separate Accounts are aggregated and allocated on a pro rata basis.

Item 13 – Review of Accounts

Brasada reviews all Client accounts on a regular basis. Such reviews involve performance and risk analysis and can result in portfolio rebalancing to meet the Clients' investment objectives.

The Client accounts could be reviewed more frequently if triggered by changes in the market or significant changes in the portfolio assets.

The Fund's investors receive monthly statements from the Fund's independent administrator. Brasada's Separate Accounts have on-line custodian access to all account details, transactions and other portfolio data on a daily basis and receive monthly statements from the custodian. Separate Account clients also receive portfolio statements from Brasada at least quarterly. The unaffiliated advisor(s) of Brasada's Sub-Advised Accounts provide their own reports to their client(s).

Item 14 – Client Referrals and Other Compensation

Brasada does not receive any economic benefit, including sales awards or prizes, from any third-party for providing advisory services to its Clients.

Currently, neither Brasada nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future Brasada enters into such arrangements, this Brochure will be appropriately amended.

Item 15 – Custody

The Fund engages an independent broker-dealer/custodian to custody and maintain its account. Investors in the Fund receive monthly statements from an independent administrator and the Fund's annual audited financial statements within 120 days following the end of its fiscal year. Investors in the Fund should review all statements carefully.

Sub-Advised Accounts engage independent broker-dealers/custodian to custody and maintain their clients' accounts. Brasada does not have physical custody or access to the unaffiliated advisor's client assets, monies, or securities. Clients receive and/or have access to account statements directly from the broker-dealers/custodians.

Separate Accounts engage an independent broker-dealer/custodian to custody and maintain their accounts. Brasada does not have physical custody or access to clients' assets, monies, or securities. Clients receive and/or have access to account statements directly from the custodian.

Item 16 – Investment Discretion

Brasada accepts discretionary authority to manage investments on behalf of its Clients. This authority is outlined in each Client's offering documents or investment management agreement. As stated in *Item 4.C.*, Fund investors cannot impose restrictions on investing in certain securities or types of securities. Sub-Advised and Separate Account Clients can impose restrictions on investments in certain securities or types of securities. Any restrictions would be outlined in the Clients' investment management agreements with Brasada.

Brasada treats voting rights of securities held by its Clients in a manner that is in the Client's best interest; first determining whether to exercise the Client's voting rights with respect to a specific security, and secondly, evaluating the matters on which a vote is solicited, in light of the Client's investment objectives for that security. Some factors used in determining whether or not to exercise voting rights include:

Holding Period of Positions. The extent to which securities are purchased to take advantage of short-term market opportunities vs. the possibility for long-term appreciation.

Economic Value of Positions. The magnitude of the value of the Client's economic interest in the proposal or in the value of the portfolio holding relative to the overall portfolio.

Cost of Voting. Whether the cost of voting on a proposal (e.g., required in-person voting in a distant location) would likely exceed the value of any anticipated benefits of approving or defeating the proposal.

Impracticability. Whether the timing of receipt and/or the mechanics of voting make it impracticable to vote.

Other factors that are relevant to the Client accounts can be taken into consideration as well.

The PM will make all determinations as to how to vote proxies related to securities in his Clients' account(s), as long as he is not aware of any conflicts of interest in connection with any of the proxy voting determinations being submitted. If conflicts of interest do exist, the PM will consult with the principals of Brasada to decide on that particular vote. Examples of conflicts of interest include:

- Voting in accordance with the PM's recommendation where the proxy company or one of its affiliates has a relationship with Brasada or an investment in any product managed by Brasada.
- Brasada having a material business relationship with a proponent of a proxy proposal, participants in a proxy contest or directors/nominee directors of a portfolio company.
- An employee of Brasada having a personal interest in the outcome of a particular proxy proposal.

Brasada's proxy policy is available to Clients upon request. Further, Clients can also request a record of how proxies have been voted on their behalf.

Item 18 – Financial Information

Brasada does not solicit prepayment of management fees from Clients.

Registered investment advisers are required in this Item to provide clients with certain information or disclosures about Brasada's financial condition. Brasada has not been the subject of a bankruptcy proceeding.