

Firm Brochure

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Shadowridge Asset Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 888-434-1427 or by email at info@shadowridgeinvest.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 Shadowridge Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

CRD #162066

March 20, 2022

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the last update on April 13, 2021, the following material changes have been made:

- Item 10 was updated to reflect Shadowridge's affiliation with a commodity pool operator, Shadowridge Capital, LLC.
 - Item 10 and 11 were updated to reflect the conflict of interest disclosure regarding Ryan Redfern's financial material interest.
 - Item 6 and 19 were updated to reflect that Shadowridge does not charge performance based fees.
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Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

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Item 4: Advisory Business

Firm Description

Shadowridge Asset Management, LLC (“Shadowridge”) was founded in 2012. Ryan C. Redfern is the 100% owner and Managing Member.

Shadowridge is a fee based investment management firm. The firm does not sell fixed annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm’s Managing Member is an independent insurance agent and may receive commissions for selling insurance products.

Shadowridge does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement or risk analysis. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed. Under California Code of Regulations (“CCR”) Section 260.238(k), Shadowridge, its representatives or any of its employees will disclose to the clients all material conflicts of interest.

Types of Advisory Services

Shadowridge provides investment supervisory services, also known as asset management services through consultations.

ASSET MANAGEMENT

Shadowridge offers discretionary direct asset management services to advisory clients. Shadowridge will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize Shadowridge discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

When deemed appropriate, Shadowridge may hire sub-advisors to manage all or a portion of the assets in the client account. Shadowridge has full discretion to hire and fire sub-advisors as they deem suitable. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and Shadowridge. Sub-advisors execute all trades on behalf of Shadowridge in client accounts. Shadowridge will be responsible for the overall direct relationship with the client. Shadowridge retains the authority to terminate the Sub-advisor relationship at Shadowridge’s discretion.

403(b) Plan and ORP MANAGEMENT

Shadowridge offers discretionary direct asset management services to 403(b) advisory clients. A 403(b) plan, also known as a tax-sheltered annuity (TSA) plan, is a retirement plan for certain employees of public schools, employees of certain tax-exempt organizations, and certain ministers. ORP is available as an alternative to the Teacher Retirement System for

full-time faculty, librarians and certain administrators and professionals employed by Texas public institutions of higher education.

SEI Managed Accounts Solutions

Shadowridge offers discretionary management services through a program sponsored by SEI Investments Management Corp (SIMC). SIMC has developed a standard managed account solutions ("MAS") program, which includes SEI's distribution focused strategies, an integrated managed account solutions providing a tax overlay service ("Tax Management"), and Goals Based Investing managed account solutions, consisting of MAS and Tax Management portfolios invested in accordance with SEI's goals-based investment solutions and, may, in the future, develop additional managed account solutions (collectively, the "Managed Account Solutions"). Under this program, SIMC acts as a co-investment advisor to the Investor, along with Shadowridge, pursuant to a tri-party investment management agreement executed among SIMC, Shadowridge and each Investor investing assets into the Managed Account Solutions (the "Tri-party Agreement"). For each Managed Account Solutions, SIMC is responsible for developing managed account portfolios designed to be invested in accordance with a stated investment objective (the "Managed Account Portfolios"). For each Managed Account Portfolio, other than the Managed Account Portfolios implementing distribution-focused strategies (the "DFS Portfolios"), SIMC is solely responsible for screening, reviewing and selecting the various money managers and/or individual mutual funds and Other Assets available for selection by Advisors and their Investors designed to meet the specific Managed Account Portfolio's stated investment objective or goal. For each DFS Portfolio, SIMC is responsible for selecting the SEI Funds and/or Other Assets underlying each DFS Portfolio and actively managing each Investor Account invested in a DFS Portfolio in accordance with the portfolio's investment objectives.

SEI Mutual Fund Models Program and SEI Funds

Shadowridge offers discretionary management services through a program sponsored by SEI Investments Management Corp (SIMC). SIMC has developed various model mutual fund asset allocation portfolios (the "Mutual Fund Models") designed to be invested in accordance with a stated investment objective or goal (the "Mutual Fund Models Program"). SIMC currently develops its Mutual Fund Models through two underlying programs, described in various SEI literature as either SEI's Institutional Mutual Fund models or SEI's Goals Based Investing models and, may in the future, develop additional mutual fund model programs. Each Mutual Fund Model's underlying portfolio allocation is generally comprised exclusively of mutual funds in the SEI family of funds ("SEI Funds"), which are each advised by SIMC. Pursuant to the Mutual Fund Models Program, SEI will make available its various Mutual Fund Models to Shadowridge who, in turn, may assist Investors in determining into which Mutual Fund Models to invest their assets.

FINANCIAL PLANNING

Shadowridge offers four options of Financial Planning for a fixed fee described in Item 5 of this brochure. Financial Plans are completed and delivered inside of six months of signing the agreement. The period of engagement for follow up phone calls is one year (12 months) from the date of signing the agreement. The planning options for services are as follows:

Focused Financial Goal

- Goals and Values Discovery Meeting
- Assessment of current financial situation and commitments
- Identify "red flag" areas to address

- Analysis of 1 Financial Goal:
 - Identify realistic strategies and present recommended course of action
- 6-month checkup phone call

Financial Planning & Organization

- Goals and Values Discovery Meeting
- Analysis of the following areas:
 - Cash Reserve
 - Debt Analysis
 - Net Worth Summary
 - Employee Benefits Recommendations
 - Social Security Maximization
 - Tax Reduction Opportunities
 - Investment Risk Assessment
 - Investment Allocation Strategies
- Personal Financial Goal Plan including Recommendations and Action Items
- Quarterly Checkup phone call

Advanced Financial Design

- Goals and Values Discovery Meeting
- Analysis of the following areas:
 - Cash Reserve
 - Debt Analysis
 - Net Worth Summary
 - Employee Benefits Recommendations
 - Social Security Maximization
 - Tax Reduction Opportunities
 - Investment Risk Assessment
 - Investment Allocation Strategies
 - Insurance Review (life, disability, long term care)
 - Estate Planning Risks
 - Legacy Design
- Ongoing progress analysis
- Personal Financial Goal Plan
- Quarterly checkup phone call and any additional meetings as necessary

If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through Shadowridge.

FINANCIAL CONSULTING

Financial consulting services will be offered for general consulting. These services may include but are not limited to a thorough review of applicable topics including but not limited to Budget Planning, Business Exit Planning, Cash Flow Analysis, College/Education Planning, Debt Management Planning, Divorce Planning, Insurance Planning, Investment Planning, Legacy Planning, Major Purchase Planning, Personal Financial Planning, Retirement Planning, Succession Planning, and Tax Planning.

Financial consultations will be completed and delivered inside of thirty (30) days.

SUB-ADVISED SEPARATELY MANAGED ACCOUNTS (SMA)

Shadowridge provides investment management services to unaffiliated independent investment advisors contractually engaged by Shadowridge (collectively referred to as “Introducing Advisors”). Under these arrangements, each account is held at an unaffiliated brokerage firm or custodian, and is registered to the person, persons, or other entity listed on that firm’s new account forms. All securities are owned directly by the account’s registered owner or owners. Shadowridge directs the investment of the securities in the account under a limited power of attorney granted to Shadowridge by the client. The Introducing Advisor receives a fee disclosed from the client and compensates Shadowridge from this fee. Shadowridge does not receive compensation from the client.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

Shadowridge does not sponsor any wrap fee programs.

Client Assets under Management

As of December 31, 2021, Shadowridge had approximately \$104,132,435 in client assets under management on a discretionary basis and \$1,071,278 in client assets under management on a non-discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

Shadowridge bases its fees on a percentage of assets under management. Clients may terminate advisory services with thirty (30) days written notice. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

ASSET MANAGEMENT

Shadowridge offers discretionary direct asset management services to advisory clients.

*Fees for these services will be based on a percentage of Assets Under Management as follows:

Assets Under Management	Base Annual Fee	Plus
\$0 - \$250,000	\$0	2.50% of assets
\$250,001 - \$500,000	\$6,250	1.50% of amount over \$250,000
\$500,001 - \$1,000,000	\$10,000	1.00% of amount over \$500,000
\$1,000,001 - \$3,000,000	\$15,000	0.85% of amount over \$1,000,000
\$3,000,001 - \$5,000,000	\$32,000	0.75% of amount over \$3,000,000
\$5,000,001+	\$47,000	0.60% of amount over \$5,000,000

*Fee schedule for clients obtained after 09/2020

The annual fee may be negotiable and may be reduced for combined household accounts. Accounts within the same household may be combined for a reduced fee. Fees are payable quarterly in arrears and calculated based on the average daily balance of the account(s) during the quarter. Quarterly advisory fees deducted from the clients account by the custodian will be reflected on the quarterly statement and in the invoice provided to the client by Shadowridge. Clients may terminate their account within five (5) business days of signing the Investment Advisory Contract for a full refund. Clients may terminate advisory services with thirty (30) days written notice. Client shall be given thirty (30) days prior written notice of any increase in fees, and the client will acknowledge, in writing, their agreement to the increase in fees. If the agreement is terminated during any given quarter, Shadowridge will be entitled to a pro rata fee for the days service was provided in the final quarter.

If Shadowridge hires a sub-advisor, there is no additional cost to the client. The fees to the sub-advisor will be paid by Shadowridge from the fees they charge the client.

403(b) PLAN MANAGEMENT

Shadowridge offers discretionary direct asset management services to 403(b) and ORP advisory clients. Fees for these services are 1.25 % of Assets Under Management.

Assets Under Management	Maximum Annual Fee	Monthly Fee
All account values	1.25%	.1042%

Fees are payable monthly in arrears and calculated based on the balance of the account(s) at the end of the month. Monthly advisory fees deducted from the clients account by the custodian will be reflected on the custodial statement and in the invoice provided to the client by Shadowridge. Clients may terminate their account within five (5) business days of signing the Investment Advisory Contract for a full refund. If the agreement is terminated during any given month, Shadowridge will be entitled to a pro rata fee for the days service was provided in the final month.

SEI Investment Management Corporation (SIMC) Managed Account Solutions (MAS) and SEI Mutual Fund Models Program (SEI Funds)

For the SEI Managed Account Solutions program Shadowridge charges an annual investment advisory fee based on the total assets under management as follows:

Fees are based on the assets under management. The annual fee is negotiable and may be reduced for combined household accounts. Custodial fees, if any, are charged separately by the custodian. Shadowridge has a minimum account requirement of \$10,000, but clients with lesser assets may be accepted at the firm discretion.

Assets Under Management	Maximum Annual Fee	Quarterly Fee
\$0 - \$500,000	1.50%	0.3750%
\$500,001 - \$1,000,000	1.25%	0.3125%
\$1,000,001 - \$2,000,000	1.00%	0.2500%
\$2,000,001 - \$5,000,000	0.70%	0.1750%
Over \$5,000,001	0.45%	0.1125%

SIMC's advisory fee schedule for MAS range from .10% to 1.25%. Certain Clients may receive a fee discount, at the sole discretion of SIMC. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager.

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. Clients can refer to their account application for specific information on SPTC custody fees.

Client agrees to pay to Shadowridge and SIMC an annual investment advisory fee which is payable quarterly in arrears and calculated based on the average daily balance of the account(s) during the quarter. In the event of termination of the Account, Shadowridge is entitled to a pro rata fee for the days service was provided in the final quarter. Quarterly advisory fees deducted from the clients account by the custodian will be reflected on the quarterly statement. Clients may terminate their account within five (5) business days of signing the Investment Advisory Contract for a full refund. Clients may terminate advisory services with thirty (30) days written notice. Client shall be given thirty (30) days prior written notice of any increase in fees, and the client will acknowledge, in writing, their agreement to the increase in fees.

SIMC's advisory fee schedule for MAS range from .10% to 1.25%. Certain Clients may receive a fee discount, at the sole discretion of SIMC. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager.

FINANCIAL PLANNING

Fees for financial planning are due upon signing the agreement and are as follows:

- *Focused Financial Goal \$995*
- *Financial Planning & Organization \$1995*
- *Advanced Financial Design \$2995*

You may cancel within five (5) business days of signing this Agreement for a full refund. Shadowridge requires important documentation from you to create your Financial Plan. If you fail to provide all the requested documentation to Shadowridge, you acknowledge that you may not receive an accurate Financial Plan, or any Financial Plan at all. If you fail to provide all required documentation, Shadowridge is under no obligation to refund your fee.

FINANCIAL CONSULTING

Financial consulting services are offered based on a negotiable hourly rate of \$200 per hour based on complexity and unique client needs. At the consultation, the client will be provided an estimated fee. Entire fee is due upon completion of the consultation. Services are completed and delivered inside of thirty (30) days. Client may cancel services within five (5) days of signing the advisory agreement with no obligation. If client cancels after the five (5) business days, Shadowridge is due a pro-rata fee based on the percentage of work completed.

SUB-ADVISOR FEES

When Shadowridge is hired by other advisors to act as a sub-advisor, Shadowridge is compensated by the introducing advisor.

Client Payment of Fees

Investment management fees are payable in arrears either monthly for 403(b) accounts or quarterly for all other accounts and calculated based on the average daily balance of the account(s) during the quarter. Fees are usually deducted from a designated client account to facilitate billing. For client residing in California, a separate invoice will be sent to the client by Shadowridge. The client must consent in advance to direct debiting of their investment account.

Financial planning fees are due at the commencement of the financial plan.
Consulting service fees are due at the conclusion of the meeting.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Shadowridge, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Shadowridge charges financial planning fees in advance.

External Compensation for the Sale of Securities to Clients

No external compensation for the sale of securities is received by either Shadowridge or any of its employees.

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

Sharing of Capital Gains

Shadowridge does not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

Item 7: Types of Clients

Description

Shadowridge generally provides investment advice to individuals, 403(b)s, Texas ORPs, trusts, estates, or charitable organizations, corporations, business entities or other investment advisors. Client relationships vary in scope and length of service.

Account Minimums

Shadowridge has a minimum account size of \$10,000 for Asset Management accounts, but clients with lesser assets may be accepted at the firm discretion. Shadowridge reserves the right to waive the minimum at its discretion. There is no minimum for 403(b) and ORP accounts.

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

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

The main sources of information include financial newspapers and magazines, corporate rating services, data feeds, subscriptions, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

Security Specific Material Risks

Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Shadowridge:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also

referred to as exchange rate risk.

- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Shadowridge of the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither Shadowridge nor any of its employees are registered as a broker-dealer or registered representative.

Futures or Commodity Registration

Ryan C. Redfern is a Managing Member of Shadowridge Capital, LLC a registered commodity pool operator.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Ryan C. Redfern is an independent insurance agent. He spent less than 1% of his time in this business. From time to time, he offers clients advice or products from those activities.

These practices represent conflicts of interest because it gives Mr. Redfern an incentive to

recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of the clients and the clients are not required to purchase any products. Clients have the option to purchase these products through another registered representative of their choosing.

Ryan C. Redfern is the Managing Member of Shadowridge Capital, LLC and a principal of Apex Fund GP, LP the general partner of Shadowridge Apex Fund, LP. Shadowridge Capital, LLC is the registered commodity pool operator that manages the Shadowridge Apex Fund, LP. From time to time, he offers client an opportunity to invest in the Shadowridge Apex Fund, LP.

A conflict of interest exists because Mr. Redfern has a material financial interest in recommending investment in the Shadowridge Apex Fund, LP. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of the clients and the clients are not required to invest in the Shadowridge Apex Fund, LP. Clients have the option to in similar investment vehicles through registered investment adviser of their choosing.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

From time to time, Shadowridge may also utilize the services of a sub-advisor to manage clients' investment portfolios. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and Shadowridge. Sub-advisors execute all trades on behalf of Shadowridge in client accounts. Shadowridge will be responsible for the overall direct relationship with the client. Shadowridge retains the authority to terminate the Sub-advisor relationship at Shadowridge's discretion.

In addition to the authority granted to Shadowridge under the Agreement, Client hereby grants Shadowridge full discretionary authority and authorizes Shadowridge to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to Shadowridge in the Agreement. In addition, at Shadowridge's discretion, Shadowridge may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors.

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

Code of Ethics Description

The employees of Shadowridge have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Shadowridge employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Shadowridge. The Code reflects Shadowridge and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Shadowridge's policy prohibits any person from acting upon or otherwise misusing non-

public or inside information. No advisory representative or other employee, officer or director of Shadowridge may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Shadowridge's Code is based on the guiding principle that the interests of the client are our top priority. Shadowridge's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

Shadowridge and its employees do recommend to clients, securities in which we have a material financial interest. Shadowridge's decision to recommend that a client invests in Shadowridge Apex Fund, LP is based solely on the suitability of the investment for the particular client.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Shadowridge and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running of client trades, employees are required to disclose all reportable securities transactions as well as provide Shadowridge with copies of their brokerage statements.

The Chief Compliance Officer of Shadowridge is Ryan C. Redfern. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Shadowridge does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Shadowridge with copies of their brokerage statements.

The Chief Compliance Officer of Shadowridge is Ryan C. Redfern. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential

treatment over employee transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Shadowridge may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. Shadowridge will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Shadowridge relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Shadowridge.

- *Directed Brokerage*

In circumstances where a client directs Shadowridge to use a certain broker-dealer, Shadowridge still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: Shadowridge's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by Shadowridge from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Shadowridge receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of Shadowridge. These benefits include both proprietary research from the broker and other research written by third parties.

While there is no direct link between Shadowridge's participation in this soft dollar arrangement and the advice provided to clients, this arrangement could be considered a conflict of interest that clients need to be made aware of, and which clients should consider when choosing an advisor. This soft dollar arrangement does not diminish Shadowridge's duty to act in the best interest of its clients, including seeking best execution of trades for its clients.

Aggregating Securities Transactions for Client Accounts

Shadowridge is authorized in its discretion to aggregate purchases and sales and other

transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Shadowridge. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by Ryan C. Redfern, Chief Compliance Officer. Account reviews are performed more frequently when market conditions dictate.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the custodian (either Fidelity for 403(b) accounts or Texas ORP accounts, Trust Company of America or Interactive Brokers for all other accounts managed directly by Shadowridge, or the custodian of the TPM). Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Shadowridge is paid a fee by other investment advisors who have hired them as a sub-advisor to manage a portion or all client assets. This creates a conflict of interest as Retail clients entering into an agreement with Shadowridge may pay more or less to obtain Shadowridge's investment management services than clients of other investment advisors using Shadowridge as a sub-advisor.

Advisory Firm Payments for Client Referrals

Shadowridge may, from time to time, enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with Shadowridge, that refer clients to Shadowridge in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a client is introduced to Shadowridge by a solicitor, Shadowridge may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon Shadowridge's engagement of new clients and is calculated using a varying percentage of the fees paid to Shadowridge by such clients. Any such fee shall be paid solely from Shadowridge's investment management fee and shall not result in any additional charge to the client.

Each prospective client who is referred to Shadowridge under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and Shadowridge and the amount of

compensation that will be paid by Shadowridge to the solicitor. The solicitor is required to obtain the client's signature acknowledging receipt of Shadowridge's disclosure brochure and the solicitor's written disclosure statement.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to review the statements upon receipt and notify Shadowridge of any discrepancies.

Shadowridge is deemed to have constructive custody solely because advisory fees are directly deducted from clients account by the custodian on behalf of Shadowridge.

Item 16: Investment Discretion

Discretionary Authority for Trading

Shadowridge accepts discretionary authority to manage securities accounts on behalf of clients. Shadowridge has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Shadowridge consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Shadowridge does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17: Voting Client Securities

Proxy Votes

Shadowridge does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because Shadowridge does not serve as a custodian for client funds or securities and Shadowridge does not require prepayment of fees of more than \$500 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

Shadowridge has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither Shadowridge nor its management has had any bankruptcy petitions in the last ten

years.

Item 19: Requirements for State Registered Advisors

Education and business background, including any outside business activities for all management and supervised persons can be found in the Supplement to this Brochure (part 2B of Form ADV Part 2).

Performance Based Fees

Shadowridge's IARs do not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Material Facts regarding Arbitration and Civil, Self-regulatory Organization or Administrative Proceeding involving this Advisory Business or Management persons

None to report

Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report.