



Sitka Pacific

Capital Management, LLC

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Form ADV Part 2 – Firm Brochure  
March 2017

This brochure provides information about the qualification and business practices of Sitka Pacific Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (425) 967-5533, or by email at [investing@sitkapacific.com](mailto:investing@sitkapacific.com). Registration does not imply a certain level of skill or training, and 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 Sitka Pacific Capital Management, LLC, is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our CRD number is 134699.

## Item 2: Material Changes

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### Annual Update

Sitka Pacific Capital Management, LLC, is providing this information as part of our annual updating amendment, which contains material changes from our last annual update. This section discusses only material changes since the last annual update, which occurred in September 2016.

### Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

Material Changes from September 2016 *Firm Brochure*:

None

### Full Brochure Availability

The Firm Brochure for Sitka Pacific Capital Management, LLC, is available by sending an email to [investing@sitkapacific.com](mailto:investing@sitkapacific.com) or by calling (425) 967-5533.

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## Item 4: Advisory Business

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### Firm Description

Sitka Pacific Capital Management, LLC, (hereafter "Sitka Pacific") is a fee-based investment Advisor that offers Portfolio Management Services. Sitka Pacific has been in business since 2005.

### Principal Owners

Sitka Pacific's principal owner is Brian McAuley, who owns 100% of Sitka Pacific. Brian McAuley is the Chief Investment Officer and Chief Compliance Officer.

### Types of Advisory Services

Sitka Pacific offers discretionary Portfolio Management Services, using separately managed accounts. Sitka Pacific will evaluate the Client's financial condition and risk tolerance in order to tailor its portfolio recommendations to meet the Client's investment objectives and individual needs. Summaries of our investment portfolio offerings are available upon request.

Sitka Pacific offers ongoing investment advice within discretionary investment portfolios, which include the following types of investments: Equity Securities, including exchange-listed securities, securities traded over the counter and by foreign issuers; Exchange-traded funds (ETFs); Investment company securities, including mutual fund shares; United States Government Securities; Options contracts on securities.

### Tailored Relationships

Sitka Pacific does not allow Clients to impose restrictions on securities held within investment portfolios, and does not manage Client funds on a non-discretionary basis.

### Wrap Fee Programs

Sitka Pacific currently does not participate in Wrap Fee programs.

### Client Assets

As of December 2016, Sitka Pacific held \$23.7M in Client funds under management, all of which was managed on a discretionary basis.

# Item 5: Fees and Compensation

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## Description

Investment Advisory Fees are assessed for investment advisory services as a percentage of assets under management, at an annualized rate of 1.75%. Investment Advisory Fees are non-negotiable. Rates for accounts which are assessed performance-based fees (as described below in *Performance-Based Fees & Side-by-Side Management*), are negotiable at the sole discretion of Sitka Pacific. Clients charged a performance fee must be “qualified clients” as defined under WAC 46-24A-15.

## Fee Billing

Investment advisory fees are deducted from Client accounts quarterly in advance. For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principle market in which they are traded, and other instruments shall be priced using a pricing service or through quotations from one or more dealers. The Advisor will either (i) invoice the Client directly with respect to the payment of the investment advisory fee, or (ii) the payment of the Annual Fee will be made by the custodian holding the Client’s funds and securities

In addition to account statements provided by the custodian, an invoice will be sent to Clients detailing each quarterly investment advisory fee, and this invoice will include: the amount of the investment advisory fee, the formula used to calculate the investment advisory fee, and the time period covered by the investment advisory fee.

## Other Fees

In addition to investment advisory fees, Client accounts will incur costs from the custodian broker, including custodial fees and transaction costs. Assets such as exchange-traded funds and mutual funds may result in additional expenses, and certain transactions such as short sales may result in expenses in addition to investment advisory fees and broker execution costs.

## Fees Paid in Advance

The Advisor will refund any pre-paid fees on a pro rata basis within thirty (30) days following the Advisor’s receipt of a cancellation notice from Client. Fees will cease to be deducted from the Account upon the earlier of the following events to occur: (i) within thirty (30) days following the Advisor’s receipt of a cancellation notice from Client, or (ii) within five (5) days of the date which all positions in the Account have been liquidated. Client has the absolute right to terminate the investment advisory contract without penalty within five (5) business days after execution of same.

## Additional Compensation

Sitka Pacific does not receive cash or any other economic benefit (including commissions, equipment or non-research services) from non-Clients in connection with giving advice to Clients. Sitka Pacific also does not directly or indirectly compensate any person for Client referrals. In addition, Sitka Pacific does not receive any additional compensation from investment products recommended to clients through the management of discretionary investment portfolios.

## Item 6: Performance-Based Fees & Side-by-Side Management

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Sitka Pacific receives performance-based fees for management from some of its Client accounts, in compliance with provisions of CCR Section 260.234 and WAC 460-24A-150. The Advisor will charge the Client a non-negotiable fee calculated as 20% of the mark-to-market Profit & Loss of the account at the end of the calendar year (the "Performance Fee"). The Performance Fee is subject to a High Water Mark which will become effective on the day the custodian processes the approved client agreement. High Water Marking keeps track of cumulative losses since this effective date. A loss in any period will be added to the look-back period's cumulative losses, if any. A gain in any period will decrease the cumulative loss recorded to date, if any. The Advisor cannot charge a Performance Fee as long as any cumulative loss exists. If a client makes withdrawals or deposits during a billing period, the Advisor will prorate the profit or loss for that period. If at the end of the billing period the accumulated fee calculation is negative, no fee will be charged. Performance Fees will be posed 10 days after the close of the year.

Performance-based fees are only offered to Qualified Clients, as defined in CCR Section 260.234, WAC 460-24A-150, and as by SEC Section 205-3. As outlined in SEC Section 205-3, a Qualified Client is:

- ▶ A natural person or a company that immediately after entering into the contract has at least \$1,000,000 under management of the investment advisor.
- ▶ A natural person or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
  - 1) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000, at the time the contract is entered into; or
  - 2) Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
  - 3) A natural person who immediately prior to entering into the contract is:
    - a) An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or
    - b) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

These performance-based fees are sometimes received in addition to Investment Advisory Fees. Client accounts that are assessed performance fees are sometimes managed side-by-side with other Client accounts (see the *Order Aggregation* section below). Although accounts that are assessed performance fees are given no preferential treatment, performance-based fees create the incentive to favor such accounts.

## Item 7: Types of Clients

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### Description

Sitka Pacific generally provides investment advice to Individuals; Pension and profit-sharing plans; Trusts, estates, or charitable organizations; Corporations or business entities other than those listed above.

### Account Minimums

The minimum initial investment for a new Client advisory relationship is \$200,000. The minimum initial account balance for each managed account is \$50,000.

In addition, performance-fee arrangements require Clients to meet additional minimum financial requirements, as specified in WAC 460-24A-150.

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

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### Methods of Analysis

Market and security analysis methods include Fundamental; Technical; Cyclical; and other methods detailed here. The majority of portfolio positions are selected using proprietary methods. Hedging, either by selling or buying options on individual positions, or by buying or shorting index shares or other instruments, is based on technical, cyclical and fundamental analysis of the markets. Other individual positions may also be entered on the basis of similar technical, cyclical or fundamental analysis. The main sources of information include annual reports, prospectuses, filings with the Securities and Exchange Commission, and market data provided by various vendors.

Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is likely undervalued (indicating it may be a good time to buy) or overvalued (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements, or short-term changes in the price of the security. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical analysis studies past price movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior which may influence future price movement. Technical analysis does not consider the underlying financial condition of the security. This presents a risk in that deteriorating financial conditions may cause a security to underperform regardless of recent price changes.

Cyclical analysis is a type of technical analysis which assesses the price movements of a particular security, sector or asset class relative to the overall market in an attempt to anticipate the future



relative performance of the security, sector or asset class. This presents a risk because although the broad economy and financial markets have been shown to move in cycles, each cycle is unique, and performance during past cycles may be significantly different from performance in future cycles.

## Investment Strategies

The investment strategies used to implement investment advice may include: Long-term purchases (securities held at least a year); Short-term purchases (securities held within a year); Trading (securities held within 30 days); Short sales; Margin transactions; Option writing, including covered options, uncovered options and spreading strategies; Option buying, including protective puts, protective calls and spreading strategies.

**Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable, and the security may decline in price before we make the decision to sell. We typically employ this strategy when we believe the security to be significantly undervalued and/or we believe it may take some time before the security's valuation rises to the point where it ceases to be an attractive investment.

**Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A risk in this strategy is that the anticipated price move may not occur, or it may take longer to occur than initially anticipated.

**Trading:** On rare occasions we may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of price swings that are anticipated to occur within 30 days or less. The risk associated with this strategy is that a high volume of trading activity may lead to increased transaction fees.

## Risk of Loss

Investing in the financial markets, including the securities Sitka Pacific recommends to Clients, involves the risk of loss—including loss of principal. Investing in securities involves risk of loss that clients should be prepared to bear. While Sitka Pacific attempts to manage risks associated with the financial markets and the securities it recommends to Clients, Sitka Pacific makes no guarantee or promise that advice given to Clients through the management of Client accounts will not result in losses. Past performance is not a guarantee of future results.

## Short Selling Risk

Some of our investment strategies include a significant amount of short selling. Short selling transactions expose us to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by us in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein we might be

compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

## Margin Disclosure Statement

Our investment strategies do not generally employ the use of leverage (i.e. borrowing funds from the broker to open positions whose cumulative value exceeds the equity in the account), though the use of small amounts of leverage does occur infrequently.

When securities are purchased, they may be paid for in full or part of the purchase price may be borrowed from the brokerage firm. The securities purchased are the brokerage's collateral for the loan. If the securities in the account decline in value, so does the value of the collateral supporting the loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities in any of the accounts held with the member, in order to maintain the required equity in the account.

Short selling requires the use of a margin account, as the securities used in the short sale are borrowed from the brokerage firm before they are sold. In the case of a short sale, cash received from the sale of the borrowed shares is held as collateral. If the short position declines in value, i.e. the borrowed shares rise in price, the value of the cash collateral supporting the borrowed shares declines, and, as a result, the broker can take action, such as issue a margin call and/or sell or buy to cover securities in any of the accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the broker that has made the loan to avoid the forced sale of those securities or other securities in your account(s).
- The broker can force the sale of securities in your account(s). The broker can also force the purchase of securities in the case of short positions. If the equity in your account falls below the maintenance margin requirements under the law, or the broker's higher "house" requirements, the broker can exit positions in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such actions.
- The broker can sell your securities, or buy back short positions, without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the broker cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most brokers will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a broker has contacted a customer and provided a specific date by which the customer can meet a margin call, the broker can still take necessary steps to protect its financial interests, including immediately exiting positions without notice to the customer.

- You are not entitled to choose which positions in your account(s) are liquidated to meet a margin call. Because the securities are collateral for the margin loan, the broker has the right to decide which security to sell in order to protect its interests.
- The broker can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in broker policy often take effect immediately and may result in the issuance of a maintenance margin call. A failure to satisfy the call may cause the liquidation of positions in your account(s).

## Risk Disclosure Statement for Options and Futures

While we do not trade options and/or futures in all of our investment strategies, this disclosure is provided to inform all of our clients about some of the possible risks associated with such positions. This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options.

### Options

- *Variable degree of risk.* Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs.
- The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote.
- Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

### Futures

- *Effect of "Leverage" or "Gearing."* Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract, meaning that transactions are heavily "leveraged" or "geared." A relatively small market movement will

have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. Your account may sustain a total loss of initial margin funds and any additional funds deposited with the broker to maintain the position. If the market moves against the position or margin levels are increased, you may be called upon to pay additional funds on short notice to maintain the position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

- *Risk-reducing orders or strategies.* The placing of certain orders (e.g., "stop-loss" orders, where permitted, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

## Item 9: Disciplinary Information

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### Legal or Disciplinary Events, Criminal or Civil Action, Administrative Proceeding, Self-Regulatory Organization Proceeding, or Other Proceeding

- ▲ In 2009, the State of Illinois levied a fine of \$500 for an investigation into the late registration of Sitka Pacific as it transitioned to SEC registration from state registration.

## Item 10: Other Financial Industry Activities and Affiliations

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Neither Sitka Pacific nor any Associated Persons have any affiliations with any other financial industry companies.

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

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### Code of Ethics

At Sitka Pacific, our goal is to protect our Clients' interests at all times in our role as fiduciaries, and we strive to comply with all applicable laws and regulations governing our business. All Associated Persons are expected to strictly adhere to the guidelines for professional standards of conduct and use of material, non-public information outlined in our *Code of Ethics and Privacy Policy*. A copy of our Code of Ethics and Privacy Policy can be obtained by Clients and prospective Clients by contacting us by email or phone.

### Recommend Securities with Material Financial Interest

Neither Sitka Pacific nor any Associated Persons have any material financial interest in Client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### Invest in Same Securities Recommended to Clients

Sitka Pacific and its Associated Persons may buy or sell for themselves positions the company also recommends to Clients, and also may follow the same or similar trading strategies for their own accounts that are used for Client accounts (see section below on *Order Aggregation*). Sitka Pacific and its Associated Persons either receive the same execution as Clients, or are required to trade *after* the trading of the position has been completed for Clients. All trading is done in the open market, and no securities are directly passed between Advisor and Client accounts.

## Item 12: Brokerage Practices

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### Selecting *Brokerage Firms*

Sitka Pacific recommends the Client open an account with Interactive Brokers, LLC, or Charles Schwab & Co. to be managed by the Advisor. Both are independent broker-dealers, unaffiliated with Sitka Pacific. Interactive Brokers, LLC, and Charles Schwab & Co. have been selected based on their commission rates, trading platform and administrative infrastructure. Commission rates charged to the Client are believed to be among the lowest available, and are believed not to be higher as a result of administrative and trading support the Advisor receives from Interactive Brokers, LLC, or Charles Schwab & Co.

### Research and Soft Dollars

Sitka Pacific does not use other services available from Interactive Brokers, LLC, and Charles Schwab & Co., such as research and other soft dollar benefits, and such services are not supported by Client accounts.

### Brokerage for Client Referrals

Sitka Pacific does not recommend any particular brokerage firm in exchange for Client referrals.

### Directed Brokerage

Outside of Interactive Brokers, LLC, and Charles Schwab & Co., Sitka Pacific does not allow Clients to direct the use of a particular brokerage firm.

### Order Aggregation

Sitka Pacific routinely combines orders for the same securities into “block trades” for groups of accounts within an investment strategy. This practice allows us to execute trades in a timely, equitable manner, and it may reduce the Client’s transaction costs. Shares of securities purchased in block trades are distributed to Client accounts based on the custodian broker’s rules governing distribution of block trades, and no preferential treatment is given to any particular Client account. Client accounts receive an average price and a pro rata share of transaction costs. Advisor accounts that are traded in the same strategy as Client accounts receive no preferential treatment.

## Item 13: Review of Accounts

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### Periodic Reviews

All Client accounts are reviewed by an Investment Advisor Representative of Sitka Pacific regularly to ensure they are aligned with the investment plan for the account. In the case of a withdrawal or deposit into the account, the account will be reviewed and rebalanced if necessary.

### Regular Reports

Clients can access their account and statements electronically through the custodian’s web site at any time. Clients can also elect to receive monthly and annual printed statements from the custodian if desired. Statements include account information, total equity, profit/loss summary, total cash, positions and transactions (including fees paid to the Advisor).

## Item 14: Client Referrals and Other Compensation

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### Economic Benefits

Sitka Pacific does not receive cash or any other economic benefit (including commissions, equipment or non-research services) from non-clients in connection with giving advice to Clients.

### Third Party Solicitors

Sitka Pacific does not directly or indirectly compensate any person for Client referrals.

## Item 15: Custody

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### Account Statements

Sitka Pacific does not maintain custody of Client assets. Assets are held in a separate account in the Client's name at an independent broker-dealer. Accounts are covered by the Securities Investor Protection Corporation ("SIPC") and any other insurance that may be carried by the custodian broker. Clients are encouraged to compare statements from their broker-dealer with invoices and reports received from Sitka Pacific.

## Item 16: Investment Discretion

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### Discretionary Authority for Trading

Upon signing the *Investment Advisory Agreement*, the Client gives Sitka Pacific full authority to supervise and direct, on a discretionary basis, all investment and trading activity in the Client account.

## Item 17: Voting Client Securities

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### Proxy Voting

Sitka Pacific does not render any advice or take any action on behalf of Clients with respect to securities or other investment held in Client accounts. The Client will receive proxies and other solicitations directly from the broker, and the Client retains all rights and obligations to take action relating to securities held in the Client's account.

## Item 18: Financial Information

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### Financial Condition

Sitka Pacific is not required to provide financial information to our Clients, because we do not

1. Require pre-payment of fees of more than \$500 more than six months in advance, or
2. Take custody of Client assets, or
3. Have a financial condition that is reasonably likely to impair our ability to meet our commitments to our Clients.

## Item 19: Requirements for State-Registered Advisors

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Principal Management Person of Sitka Pacific is Brian McAuley (see Part 2B below).

Sitka Pacific receives compensation for providing Investment Advice through the management of its Client Accounts. See *Item 5: Fees and Compensation* for more information.

Sitka Pacific receives performance-based fees for management from some of its Client accounts, in compliance with provisions of CCR Section 260.234 and WAC 460-24A-150, and SEC Section 205-3. These fees include 20% share of the mark-to-market profits over a specific time frame, subject to a high water mark. See *Item 6: Performance-Based Fees & Side-by-Side Management* more information.

No Principal Management Person of Sitka Pacific have been found liable for any arbitration claim in excess of \$2,500, or been found liable in any civil, self-regulatory organization, or administrative proceeding.

No Principal Management Person of Sitka Pacific has any affiliations with any other issuer of securities.





**Sitka Pacific**  
Capital Management, LLC

**Brian McAuley**  
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Form ADV Part 2B – Brochure Supplement  
March 2017

This brochure supplement provides information about Brian McAuley, an Investment Advisor Representative (IAR) in California, which supplements the Sitka Capital Management LLC Brochure, Part 2A. You should have received a copy of that brochure. Please contact Sitka Pacific at (425) 967-5533 or [investing@sitkapacific.com](mailto:investing@sitkapacific.com) if you did not receive Sitka Capital Management LLC's Brochure Part 2A or if you have any questions about the contents of this supplement.

Additional information about Brian McAuley is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background & Business Experience

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### Name, Age (Year of Birth)

Brian McAuley  
CRD# 4937688  
Year of Birth: 1975.

### Formal Education

- University of Oregon, Bachelor of Science, 1999

### Business Background (Previous 5 Years)

- Sitka Pacific Capital Management, LLC, President and Chief Investment Officer, 2005-Present

## Item 3: Disciplinary Information

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### Legal or Disciplinary Events, Criminal or Civil Action, Administrative Proceeding, Self-Regulatory Organization Proceeding, or Other Proceeding

Brian McAuley does not have any reportable disciplinary information.

## Item 4: Other Business Activities

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### Investment-related Activities, Other Business or Occupation for Compensation

Brian McAuley does not have any other business activity outside of Sitka Pacific.

## Item 5: Additional Compensation

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### Economic Benefit

Brian McAuley does not receive additional compensation from any source.

## Item 6: Supervision

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### Name, Title and Telephone Number of Supervisor

Brian McAuley is the principal owner of Sitka Capital Management LLC and therefore has no supervisor. Policies and procedures are in place to mitigate identified risks of the Firm. Any questions can be directed to Brian McAuley, President and Chief Investment Officer, (425) 967-5533.

## Item 7: Requirements for State-Registered Advisers

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Brian McAuley has not been found liable for any arbitration claim in excess of \$2,500, or been found liable in any civil, self-regulatory organization, or administrative proceeding.



**Sitka Pacific**  
Capital Management, LLC

**Michael Shedlock  
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Form ADV Part 2B – Brochure Supplement  
March 2017

This brochure supplement provides information about Michael Shedlock, an Investment Advisor Representative (IAR) in Illinois, which supplements the Sitka Capital Management LLC Brochure, Part 2A. You should have received a copy of that brochure. Please contact Sitka Pacific at (425) 967-5533 or [investing@sitkapacific.com](mailto:investing@sitkapacific.com) if you did not receive Sitka Capital Management LLC's Brochure Part 2A or if you have any questions about the contents of this supplement.

Additional information about Michael Shedlock is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background & Business

### Experience

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#### Name, Age (Year of Birth)

Michael Shedlock  
CRD# 5282285  
Year of Birth: 1953.

#### Formal Education

- University of Illinois (Urbana), Bachelor of Science in Civil Engineering, 1976

#### Business Background (Previous 5 Years)

- President of Mike Shedlock, Inc., 1998-Present
- Sitka Pacific Capital Management, LLC, Investment Advisor Representative (IAR), 2008-Present

## Item 3: Disciplinary Information

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### Legal or Disciplinary Events, Criminal or Civil Action, Administrative Proceeding, Self-Regulatory Organization Proceeding, or Other Proceeding

Michael Shedlock does not have any reportable disciplinary information.

## Item 4: Other Business Activities

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### Investment-related Activities, Other Business or Occupation for Compensation

Owner of *Mish's Global Economic Trend Analysis* blog. Compensation is based on advertising revenue.

## Item 5: Additional Compensation

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### Economic Benefit

None of the compensation earned by Michael Shedlock is related to any specific investment advice provided to Clients through the management of Client accounts.

## Item 6: Supervision

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### Name, Title and Telephone Number of Supervisor

Brian McAuley, President and Chief Investment Officer, (425) 967-5533.

## Item 7: Requirements for State-Registered Advisers

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Mike Shedlock has not been found liable for any arbitration claim in excess of \$2,500, or been found liable in any civil, self-regulatory organization, or administrative proceeding.



**Sitka Pacific**  
Capital Management, LLC

**James J. Abodeely**  
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Form ADV Part 2B – Brochure Supplement  
March 2017

This brochure supplement provides information about James J. Abodeely, an Investment Advisor Representative (IAR) in California, which supplements the Sitka Capital Management LLC Brochure, Part 2A. You should have received a copy of that brochure. Please contact Sitka Pacific at (425) 967-5533 or [investing@sitkapacific.com](mailto:investing@sitkapacific.com) if you did not receive Sitka Capital Management LLC's Brochure Part 2A or if you have any questions about the contents of this supplement.

Additional information about James J. Abodeely is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background & Business

### Experience

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#### Name, Age (Year of Birth)

James J. Abodeely  
CRD# 5464276  
Year of Birth: 1979.

#### Formal Education

- Colby College, Bachelor of Arts, Magna Cum Laude, 2001

#### Business Background (Previous 5 Years)

- Sitka Pacific Capital Management, LLC, Portfolio Manager and Investment Advisor Representative, 2011-Present
- Paragon Investment Management, Portfolio Manager, 2001–2011

#### Description of Professional Designations

JJ earned his Chartered Financial Analyst (CFA) designation in 2004 and his Chartered Alternative Investment Analyst (CAIA) designation in 2008.

The CAIA designation, recognized globally, is administered by the Chartered Alternative Investment Analyst Association and requires a comprehensive understanding of core and advanced concepts regarding alternative investments, structures, and ethical obligations. To qualify for the CAIA designation, finance professionals must complete a self-directed, comprehensive course of study on risk-return attributes of institutional quality alternative assets; pass both the Level I and Level II CAIA examinations at global, proctored testing centers; attest annually to the terms of the Member Agreement; and hold a US bachelor's degree (or equivalent) plus have at least one year of professional experience or have four years of professional experience. Professional experience includes full-time employment in a professional capacity within the regulatory, banking, financial, or related fields. Once a qualified candidate completes the CAIA program, he or she may apply for CAIA membership and the right to use the CAIA designation, providing an opportunity to access ongoing educational opportunities.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join



CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

## Item 3: Disciplinary Information

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### Legal or Disciplinary Events, Criminal or Civil Action, Administrative Proceeding, Self-Regulatory Organization Proceeding, or Other Proceeding

James Joseph Abodeely does not have any reportable disciplinary information.

## Item 4: Other Business Activities

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### Investment-related Activities

Non-Profit Board Member.

Due diligence and financial modeling consultant.

[ValueRestorationProject.com](http://ValueRestorationProject.com) Blog and Book Reviews.

### Other Business or Occupation for Compensation

The following occupy the majority (>50%) of Mr. Abodeely's time:

- CEO of LevelSleep
- Minority partner of LLC owning and operating fitness studio franchises.

## Item 5: Additional Compensation

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### Economic Benefit

None of the compensation earned by James J. Abodeely is related to any specific investment advice provided to Clients through the management of Client accounts.

## Item 6: Supervision

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### Name, Title and Telephone Number of Supervisor

Brian McAuley, President and Chief Investment Officer, (425) 967-5533.

## Item 7: Requirements for State-Registered Advisers

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JJ Abodeely has not been found liable for any arbitration claim in excess of \$2,500, or been found liable in any civil, self-regulatory organization, or administrative proceeding.