

Uniform Application for Investment Adviser Registration

FORM ADV

Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response	9.402

Name of Investment Adviser: Astrop Advisory Corporation				
Address: (Number and Street) 2970 Peachtree Road, Suite 875	(City) Atlanta	(State) GA	(Zip Code) 30305	Area Code: Telephone Number: 404-816-9900

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations.....	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts.....	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion.....	6
13	Additional Compensation.....	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**Form ADV
Part II - Page 2**

Applicant:
Astrop Advisory Corporation

SEC File Number:
801 –

Date:
August 13, 2009

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

Applicant:

- | | | |
|-------------------------------------|---|--------------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | <u>100</u> % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription..... | _____ % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | _____ % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... | _____ % |
| <input type="checkbox"/> | (8) Provides a timing service..... | _____ % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No
☐ ☒

B. Does applicant call any of the services it checked above financial planning or some similar term?

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients — Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:
Astrop Advisory Corporation

SEC File Number:
801 –

Date:
August 13, 2009

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial Paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's securities analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Applicant:
Astrop Advisory Corporation

SEC File Number:
801 –

Date:
August 13, 2009

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ☒ Yes ☐ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Applicant:
Astrop Advisory Corporation

SEC File Number:
801 –

Date:
August 13, 2009

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes ☒ No ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

REVIEWS: Positions being held in various portfolios are constantly monitored by the Applicant's Investment Policy Committee. Client's financial circumstances are periodically reviewed for changes that may affect their investment objectives. Each quarter, the several models, to which most accounts conform, are formally reviewed by the committee.

REVIEWERS: There are three; the Applicant's president serves as portfolio manager. Portfolio manager will be thorough, conscientious and diligent during reviews. There are four basic models for which all officers assume responsibility and to which many of the 100 plus accounts conform. See Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients receive monthly statements and confirmations of each transaction from their custodian. A year-end summary, average cost basis and 1099 reports are also provided to taxable accounts by the custodian.

Applicant:
Astrop Advisory Corporation

SEC File Number:
801 –

Date:
August 13, 2009

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?.....

Yes No
☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|--|---------------------------------|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals?..... | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	---------------------------------	---

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Astrop Advisory Corporation	801-	August 13, 2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV: Astrop Advisory Corporation		IRS Empl. Ident. No.:						
Item of Form (identify)	Answer							
Items 1D	<p>Astrop Advisory Corporations (“Astrop”) provides investment advisory services on a continuous and ongoing basis to individuals and institutions. After an initial meeting, each new client’s investment objective is determined and a portfolio is constructed in a manner considered to be consistent with the client’s objective.</p> <p>Astrop manages its clients’ accounts on an individual basis. Portfolios within the same objective may, at any given time, differ as to specific securities and cash levels. Further retractions and guidelines imposed by clients affect the composition and performance of the portfolios. For these reasons, performance of portfolios within the same objective may differ, and clients should not expect that the performance of their portfolios be identical with the Astrop average for that objective.</p> <p>Maximum Fee Schedule: (Annual Rates)</p> <table> <tr> <td>0 - \$100,000</td> <td>2.00%</td> </tr> <tr> <td>\$100,001 - \$250,000</td> <td>1.50%</td> </tr> <tr> <td>Over \$250,000</td> <td>1.00%</td> </tr> </table> <p>Fee schedule is negotiable.</p> <p>Clients are billed quarterly in advance. The fee is calculated based on the portfolio values as of the end of the previous quarter. Fee adjustments are not made of additional deposits or partial withdrawals into the account. Fees are determined based on each account size. The agreement may be terminated by either party with 30 days’ written notification. Fees paid may be refunded on a pro-rata basis if the service is terminated within the payment period. For those clients invested in mutual funds, internal fees charged by mutual funds (whose fees are further described in the fund prospectus) will be incurred by the client in addition to Astrop’s management fee. In addition, some mutual fund families and custodians may impose short-term redemption fees for positions held less than 180 days. Short-term redemption fees will be incurred by the client. In addition to Astrop’s advisory fee, client will pay transaction charges as a result of securities executed. Clients have the right to terminate the advisory relationship within five business days of execution of the advisory agreement unless the client was provided with a copy of the Astrop’s Disclosure Brochure at least 48 hours prior to the client signing an Advisory Agreement. Astrop does not use Performance Fee Contracts.</p> <p>Astrop Advisory Corporation does not vote proxies on behalf of the client.</p> <p>Astrop may modify, and has modified, its management fee arrangements. Employees of Astrop and their families are entitled to lower fees for management services.</p>		0 - \$100,000	2.00%	\$100,001 - \$250,000	1.50%	Over \$250,000	1.00%
0 - \$100,000	2.00%							
\$100,001 - \$250,000	1.50%							
Over \$250,000	1.00%							
Item 5	A college degree is required for members of the Investment Policy Committee.							
Item 6	<p><u>William B. Astrop, Chairman, (09/22/1929)</u></p> <p>Education B.A., University of Richmond (1950) M.B.A., Harvard Business School (1953)</p>							

Business Background

Chairman, Astrop Advisory Corporation (1991-Present)

William B. Astrop, Jr., Vice President (04/16/1969)

Education

B.A., University of Southern California (1992)

Business Background

Vice President, Astrop Advisory Corporation (1997-Present)

Douglas D. Astrop, Vice President (08/10/1972)

Education

B.S., Georgetown University (1994)

M.B.A., Marshall School of Business (1999)

Business Background

Financial Advisor, Merrill Lynch (2003-2005)

Vice President, Astrop Advisory Corporation (2005-Present)

Item 8.D.

Astrop Global Exchanges, LLC ("AGE"), a related person to the Adviser through common ownership, serves as the general partner to Astrop-Dow Jones Global Exchanges Index Fund, L.P., a Delaware limited partnership (the "Fund"), which invests its assets in securities. The Fund's investment objective is to provide investment results that generally correspond to the performance of the Dow Jones Global Exchanges Index (the "Index"). The Fund intends to pursue this objective by holding substantially all of the composite securities of the Index, in generally the same proportions as the Index. The Index, in turn, is comprised of a basket of U.S. and foreign equities consisting of all publicly-traded stock exchanges and trading floors worldwide. Dow Jones," and the "Dow Jones Global Exchanges Index," are trademarks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by Astrop Global Exchanges, LLC..

Item 9

Access persons, as defined in Rule 17j-1 under the Company Act, have restrictions on personal trading in securities in which the firm purchases for clients. Astrop has adopted a Code of Ethics to govern the personal trading by such access persons. In addition, Astrop has an Insider Trading Policy applicable to all of its employees which prohibits the use of material inside information in connection with personal transactions.

A copy of Astrop's Insider Trading Policy is provided to Astrop's employees. Access persons are required to report their trading activities.

The Code of Ethics and trading policies are overseen by the Chief Compliance Officer and corporate counsel who are responsible for the review of such transactions. A copy of the firm's Code of Ethics is provided to all employees. Astrop's Code emphasizes the firm's philosophy of honesty, integrity, and professionalism, setting forth standards of conduct expected of the firm's personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interests between personal and professional relationships, and promoting compliance with applicable governmental laws, rules, and regulations. The firm's investment advisers are fiduciaries who have the responsibility to render professional, continuous, and unbiased investment advice to clients. Advisers owe clients a duty of care, loyalty, honesty and good faith, and fair dealing and must act at all times in the client's best interest. All Astrop personnel have the obligation to uphold this duty. A copy of the firm's Code of Ethics is available to clients upon request.

Item 10

Astrop currently imposes a minimum dollar value of \$50,000 per household for managed accounts. Astrop may modify its minimum and certain existing accounts are below the current minimum.

<p>Item 11.A.</p>	<p>At regular meetings, the Investment Policy Committee meets to review portfolio decisions including: strategic asset allocations, sector weighting and security selections. Individual accounts are reviewed for fidelity to each client’s individual objective. An officer of Astrop monitors daily purchases and sales of securities and conducts a review of accounts at least quarterly.</p>
<p>Item 12.A. and B</p>	<p>Astrop transacts business through a number of broker/dealers. Astrop may suggest certain broker/dealers to its clients due to cost effective custodial rates, commission rates, technology and other considerations.</p> <p>Astrop may bundle client equity trades to effect an average cost.</p> <p>Astrop has authority to determine, without obtaining specific client consent, (1) the securities to be bought or sold, (2) the amount of the securities to be bought and sold, (3) the selection of securities, (4) timing of securities purchase and sales.</p> <p>Astrop may cause a client’s account to pay a broker or dealer an amount of commission or effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if Astrop determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker or dealer, viewed in terms of either the particular transaction or Astrop’s overall responsibilities with respect to the accounts as the which Astrop exercises investment discretion.</p> <p>Astrop may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & CO., Inc. (“Schwab”), a registered broker-dealer, Member of SIPC/NYSE, to maintain custody of clients’ assets and effect trades for their accounts. Schwab Institutional provides Astrop access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as the total of at least \$10 million of the advisor’s clients’ account assets are maintained at mutual funds and other investments that are at Schwab Institutional. Schwab Institutional’s services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available other products and services that benefit Astrop but may not benefit its clients’ accounts. Some of these other products and services benefit Astrop in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution and allocation of aggregate trade orders for multiple client accounts, provide research, pricing information and other market data, facilitate payment of Astrop’s fees from clients’ accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantive number of Astrop’s accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Astrop with other services intended to help Astrop manage and further develop its business enterprise. These services may include consulting, publications and presentation on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Astrop by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fee of third-party providing these services to Astrop.</p>
<p>Item 13.B.</p>	<p>Astrop receives client referrals from Schwab through Astrop’s participation in Schwab Advisory Network (the “Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Astrop. Schwab does not supervise Astrop and has no responsibility for Astrop’s management of clients’ portfolios or Astrop’s other advice or services. Astrop pays Schwab fees to receive client referrals through the Service. Astrop’s participation in the Service may raise potential conflicts of interest described below.</p>

Astrop pays a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Astrop is a percentage of the fees the client owes to Astrop or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Astrop pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Astrop quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Astrop and not by the client. Astrop has agreed not to charge the clients referred through the Services fees or costs greater than the fees of costs Astrop charges clients with similar portfolios who were not referred through the Service.

Astrop generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Astrop generally would pay in a single year. Thus, Astrop will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fee will be based on assets in accounts of Astrop's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Astrop will have incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Astrop's fees directly from the accounts.

For accounts of Astrop's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody, but will receive compensation from Astrop's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearances and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, Astrop may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Astrop nevertheless, acknowledges its duty to seek best execution of trades through different broker-dealers than trades for Astrop's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers. Astrop receives discounted services from SPT, a Schwab affiliate. SPT provides technology support through its Centerpiece portfolio management software.

Astrop, in some instances, re-allows a portion of fees it receives to third-party solicitors (individuals or entities) that provide services to Astrop in connection with the origination of clients. The solicitor's agreements entered into by Astrop comply with rule 206(4)-3 promulgate under the Investment Advisory Act of 1940. Such re-allowed fees are paid pursuant to a written agreement between Astrop and solicitor, prior to or at the time of entering into an advisory agreement with Astrop.

Astrop's participation in the Schwab Advisory Source may raise potential conflicts of interest. Although not required by the Service, advisors participating in the Service are likely to execute transaction of their advisory clients referred through the Service with Schwab. Astrop acknowledges its duty of best execution for its clients.