

**Item 1 – Cover Page**

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May 9, 2011

This Wrap Program Brochure provides information about the qualifications and business practices of ALESSANDRA CAPITAL MANAGEMENT, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 377-9220 or by email at [greg@alessandracapital.com](mailto:greg@alessandracapital.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.

ALESSANDRA CAPITAL MANAGEMENT, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about ALESSANDRA CAPITAL MANAGEMENT, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Greg Alessandra, Managing Member at (310) 377-9220 or [greg@alexandracapital.com](mailto:greg@alexandracapital.com). Our Brochure is also available on our web site [www.alexandracapital.com](http://www.alexandracapital.com), also free of charge.

Additional information about ALESSANDRA CAPITAL MANAGEMENT, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with ALESSANDRA CAPITAL MANAGEMENT, LLC who are registered, or are required to be registered, as investment adviser representatives of ALESSANDRA CAPITAL MANAGEMENT, LLC.

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#### **Item 4 – Services, Fees and Compensation**

This Wrap Program Brochure describes the wrap fee program, sponsored by ACM, where we offer investment advice and costs of trade executions to you for an all-inclusive wrap fee.

##### **The Firm**

Alessandra Capital Management, LLC (“ACM” or “Adviser”) is a limited liability company formed under the laws of the State of California and domiciled in the State of California. ACM offers investment advisory services to individuals and high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and other business organizations. ACM’s services and fee arrangements are described in the following pages.

ACM has been in business since February, 1999. The principal owner is Gregory P. Alessandra. ACM registered as an investment adviser with the State of California on July 29<sup>th</sup> 1999 and transitioned to SEC registration on November 20th, 2006.

Additional information about ACM is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by firm name or by using a unique identifying number, known as a CRD number. The CRD number for ACM is 123305.

##### **Advisory Services**

ACM provides discretionary investment advice and management to individually managed accounts. ACM’s wrap fee portfolio management service is designed to assist clients in meeting their financial goals through the use of financial investments. For each wrap fee portfolio management client, ACM will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client and ask clients to complete information gathering documents in order to understand the client’s current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, ACM will propose an investment approach to the client. ACM may propose an investment portfolio, consisting of individual stocks, bonds, exchange traded funds, mutual funds, or other securities. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities.

ACM holds a limited power of attorney that allows the Adviser to execute trades on behalf of clients and the commission rates to be paid; however, ACM does not maintain possession or custody of the funds or securities of any client. The client funds are typically deposited in either a brokerage firm or bank custodian account. ACM wrap program client assets are held at JP Morgan (First Allied Securities is the introducing broker dealer). ACM considers several factors prior to recommending a custodian including financial strength, reputation, reporting, execution, pricing, and research.

## ACM Form ADV Part 2A Appendix 1: Wrap Program Brochure

*Revised May 5, 2011*

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Generally, client account custodians are compensated in the form of brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). Wrap fee program clients pay an asset-based management fee that covers both the investment advisory services of ACM and the transaction costs for buying and selling securities. ACM normally must pay some of the fees it earns to the brokerage firm that is handling the wrap fee account in order to compensate the brokerage firm for executing and clearing the transactions. Currently, ACM pays First Allied Securities 13 bps.

### **Tailoring Advisory Services**

As described above, ACM tailors its advisory services by conducting one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, ACM will offer individualized investment advice to clients.\*\*

ACM may develop one or more model portfolios which serve as hypothetical portfolios against which actual individual portfolios may be compared. These model portfolios are used as tools to assist ACM in constructing and rebalancing portfolios for individual clients. The use of model portfolios may result in (1) various client portfolios holding many of the same securities in roughly the same percentages and/or (2) clients with similar goals and risk tolerances may have portfolios that are different in terms of the actual securities, the number of securities, the type of securities, and the concentration of the securities.

\*\* ACM does not verify any information received from the client or from the client's other professionals and is expressly authorized to rely on information the client provides. Clients must promptly notify ACM if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon ACM's investment management services.

### **Wrap Fee Portfolio Management – Fee Schedule**

The annual asset-based fee charged for wrap fee portfolio management services range from 0.25% to 2.95% (one-quarter percent to two point nine five percent) of assets under management. ACM quotes an exact percentage to each client based on both the nature and total dollar value of that account prior to entering into an advisory agreement. Wrap fee clients will not pay brokerage and custodial charges if their accounts are held at the custodian(s) selected by ACM. However, wrap fee clients may pay charges imposed directly by a mutual fund, index fund, and/or exchange traded fund which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

ACM's wrap fee portfolio management fee is negotiable. ACM will not increase the portfolio management fee without prior written notification to the client.

The management fee on wrap fee program accounts is generally higher than for similar Portfolio Management accounts.

### **Billing Methods**

Fees are specifically agreed to in a separate written agreement between the client and ACM. Fees are based on an annual rate, and are calculated and payable quarterly in advance using account asset values on the last business day of the previous quarter. The values used are the market price or fair market value in the absence of market value, plus any credit balance or minus any debit balance), at the close of the market on the last business day of March, June, September and December. Prices are provided by the custodian or outside pricing services.

Clients grant ACM limited authority to receive fee payments directly from the client's account by signing the investment advisory agreement.\*\* This authorizes the custodian holding client funds and securities to deduct ACM fees directly from the client's account based upon invoices prepared and submitted by ACM. The custodian will send a statement directly to the client describing all the amounts disbursed from the account including the amount of advisory fees paid to ACM.

For any partial quarter, ACM will prorate the fee based on the number of days ACM manages the account in that partial quarter. The fee for the partial quarter will be subject to all other terms and conditions as for a full quarter. It is important to note that it is the client's responsibility to verify the accuracy of the fee calculation. The client's account custodian will not determine whether the fee is properly calculated.

\*\* In rare instances, ACM will agree to directly bill clients.

### **Refunds**

Either party may terminate a wrap fee program agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the agreement. After five (5) business days, the client will receive a pro-rata refund, which takes into account work completed by ACM on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client.

### **Additional Client Fees**

The fee charged in this Brochure is known as a "wrap-fee." This fee covers the cost of the advisory management services provided by ACM and all brokerage commissions. The wrap fees do not include: Custodial fees for assets held outside JP Morgan/First Allied Securities; (2) JP Morgan/First Allied Securities account maintenance or trustee fees on qualified retirement plan, IRA, cash management or similar accounts; (3) transfer taxes; (4) dividend reinvestment costs; (5) foreign receives and delivers; (6) safekeeping fees, (7) wire fees; (8) checking writing fees or (9) any other charges imposed by law or otherwise agreed to with regard to client accounts. These fees will be charged to client accounts in addition to the ACM fees.

Any wrap-fee paid by the client does not cover the management, distribution and other fees and expenses incurred by mutual funds, money market funds, unit trusts, exchange-traded funds or closed-end funds held in a client's account. These fees are described in the prospectus, summary prospectus or Product Description of each respective investment product and are paid to the fund's investment advisers and other service providers, but ultimately are borne by all shareholders.

Clients should review all fees charged by custodians, funds, ACM, and others to fully understand the total amount of fees that they must pay. ACM encourages investors to review these materials thoroughly, and to contact ACM if questions arise or if requesting additional information.

A client's total cost of each of the services provided through the ACM wrap program account, if purchased separately, could be more or less than the costs of the ACM wrap program account. These costs could include investment advisory services, certain custodial services, trading and execution costs (including principal markups and markdowns). Clients should consider the amount of trading activity they anticipate when assessing the ACM's cost. If an ACM wrap program account is actively traded, the ACM fees may be less expensive than separately paying advisory fees and commissions.

### **Item 5 – Account Requirements and Types of Clients**

ACM offers investment advisory services to individuals and high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and other business organizations.

ACM, at its sole discretion, may accept clients with any size account(s).

### **Item 6 – Portfolio Manager Selection & Evaluation**

ACM does not hire portfolio managers to manage its wrap fee program assets. All accounts will be managed by ACM. We prepared this Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure because we have elected to wrap First Allied Securities asset-based brokerage fees with our advisory management fees.

### **Advisory Business**

ACM's advisory business is described in [Item 4](#) above.

### **Performance-Based Fees**

ACM does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) in securities accounts.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

ACM's general investment strategy is to seek real capital growth proportionate with the level of risk the client is willing to take. ACM generally uses diversification in an effort to optimize the risk and potential return of a portfolio. More specifically, ACM may utilize multiple asset classes, investment styles, market capitalizations, sectors, and regions to provide diversification.

### **Methods of Analysis for Selecting Securities**

ACM may use fundamental, cyclical, and/or technical analysis in the selection of individual securities.

*Fundamental Analysis* typically involves analyzing financial statements, the general financial health of companies, and /or the analysis of management or competitive advantages. Fundamental analysis is subject to interpretation and may result in conflicting conclusions about the merits or risks of investing in a security. There is no assurance that fundamental analysis will result in profits in a client's account.

***Cyclical Analysis*** involves analyzing business cycles to find favorable conditions for buying and/or selling a security. Business cycles may change abruptly and may be difficult to discern because of regional differences and opposing concurrent business trends of different time periods. There may be cycles, counter cycles, and cycles within cycles. For these reasons, cyclical analysis is subjective, and there is no assurance that it will result in profits in a client's account.

***Technical Analysis*** involves analyzing market activity, such as past prices and volume through the study of charts and data. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses charts and other tools to identify past patterns that can suggest future activity. ACM uses this charting technique to search for patterns in an effort to predict favorable conditions for buying and/or selling a security.

The profitability of technical analysis depends upon the accurate forecasting of major price moves or trends in the securities traded by ACM. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernable trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them. Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market. There is no assurance that technical analysis will result in profits in a client's account.

In analyzing mutual funds, ACM may use various sources of information including data provided by Morningstar, Bloomberg, the fund company's website, and other online resources as needed. ACM reviews key characteristics such as historical performance, consistency of returns, risk level, portfolio holdings and size of the fund. Mutual fund analysis relies to a great extent on analysis of the past performance of the fund and past performance does not guarantee future results. There can be no assurance that Mutual fund analysis will result in profits in a client's account.

### **Specific Investment Strategies for Managing Portfolios**

ACM may use tactical asset allocation, cash as a strategic asset, long-term holding, short-term trading, trend, defensive, leverage, and/or inverse/enhanced market strategies in the construction and management of client portfolios.

***Tactical Asset Allocation:*** ACM may use a tactical asset allocation strategy in the shorter term to deviate from a client's long-term strategic asset allocation target in an effort to take advantage of what we perceive as market pricing anomalies or strong



market sectors or to avoid perceived weak sectors. Once ACM achieves the desired short-term opportunities or perceives that opportunities have passed, we generally return a client's portfolio to the original strategic asset mix.

***Cash as a Strategic Asset:*** ACM may use cash as a strategic asset and may at times move or keep client's assets in cash or cash equivalents. ACM makes no guarantees, promises, or warranties as to the accuracy of our market analysis.

***Long-term Holding/Short-term Trading:*** ACM does not generally purchase securities for clients with the intent to sell the securities within 30 days of purchase. However, price fluctuations and other factors may cause us to sell a security for a client when the client has held the position for less than 30 days.

***Trend Strategies:*** Under some market conditions ACM manages client assets in a manner that attempts to identify a trend and make one or more investments that would benefit from the continuation of the trend. Because trends can be difficult to identify and because they can end abruptly without warning, there can be no assurance that a trend strategy will result in profits in a client's account.

***Defensive Strategies:*** If ACM anticipates poor near-term prospects for equity markets, we may adopt a defensive strategy for clients' accounts by investing substantially in fixed income securities and/or money market instruments. ACM invests client accounts and determines allocations using our discretion. Actual allocation will vary over time in accounts. Account allocations are likely to vary significantly compared to the overall equity markets as well as compared to any particular benchmark. Because the timing of future market conditions cannot be predicted with accuracy, defensive strategies do not assure profits and nor do they assure the mitigation or elimination of losses.

***Leverage:*** Occasionally ACM may use leveraged Exchange Traded Products in an effort to increase portfolio returns in aggressive portfolios. We determine the amount of leverage to employ and the precise techniques to use based on each client's risk tolerance and overall financial situation, as well as current and anticipated future market conditions. While the use of leverage can increase returns, it can also magnify losses. There is no guarantee that the use of leveraged Exchange Traded Products will increase returns, result in profits, or mitigate losses.

***Inverse/Enhanced Market Strategies:*** ACM may also use leveraged long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) Inverse relationship to certain market indices (at a rate of one or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; or (2) Enhanced relationship to certain market indices (at a rate of one or more times the actual result of the corresponding index) as an investment strategy and/or in an effort to increase gains in an advancing market. There can be no assurance that any such strategy will be profitable or successful.

### **General Risk of Loss Statement**

Prior to entering into an agreement with ACM, the client should carefully consider:

1. That investing in securities involves risk of loss which clients should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested; and
4. That clients should only commit assets that they feel are currently unneeded and available to ACM for investment on a long-term basis. This is typically a minimum of five to seven years.

### **Investing Risks**

Investing involves risks that clients should understand and be prepared to accept. The risks can range from failing to keep pace with inflation to losing some or all of the money you invest. Common risks that investors face include:

- **Systematic or Market Risk:** Relates to factors that affect the overall economy or securities markets. Market risk affects all companies, regardless of the company's financial condition, management, or capital structure, and, depending on the investment, can involve international as well as domestic factors.
  - **Interest-rate Risk:** The risk that the value of a security will go down because of changes in interest rates. For instance, when interest rates rise, the yields on existing bonds decrease and become less attractive to potential investors, causing their market values to decline.
  - **Inflation Risk:** The risk that increases in the prices of goods and services, and therefore the cost of living, reduce your purchasing power.
  - **Currency Risk:** This risk occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return.
  - **Liquidity Risk:** The risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. Liquidity risk can be a significant problem with certain lightly traded securities such as unlisted options and municipal bonds that were part of small issues.
- **Non-systematic Risk:** The risk associated with investing in a particular product, company, or industry sector.
  - **Management Risk:** Refers to the impact that bad management decisions, other internal missteps, or even external situations can have on a company's performance and, as a consequence, on the value of investments in that company.
  - **Credit Risk:** The risk that an issuer of debt securities (e.g., bond) or a borrower default on its obligations and will be unable to make payment of interest or principal in a timely manner.

- **Financial Risk:** The risk that a company will be unable to meet its financial obligations. This risk is primarily a function of the relative amount of debt that the company uses to finance its assets. A higher proportion of debt increases the likelihood that at some point the company will be unable to make the required interest and principal payments.

Risk plays a key role in the investment strategy that ACM advisory personnel develop for clients. ACM primarily uses the following tactics to manage investment risk:

- Thorough evaluation of a client's financial circumstances and risk tolerance
- Diversification – Investing in a wide variety of assets to reduce risk
- Ongoing monitoring processes and active management including transaction reviews, portfolio reviews, account rebalancing and regular client meetings as a means to control risk

### **Voting Client Securities**

**Proxy Voting:** ACM does not accept or have the authority to vote client securities. ACM will not be deemed have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact ACM with questions or for additional information upon receipt of such solicitations or notifications.

**ERISA:** For accounts subject to ERISA, an authorized plan fiduciary other than ACM will retain proxy voting authority. Our investment advisory agreement and/or the plan's written documents will evidence and outline this authority.

**Mutual Funds:** The investment adviser that manages the assets of a registered investment company (i.e., mutual fund) generally votes proxies issued on securities held by the mutual fund.

**Class Actions:** ACM does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

### **Item 7 – Client Information Provided to Managers**

ACM is the only portfolio manager under the ACM Wrap Program. No information is shared with any other portfolio manager.

### **Item 8 – Client Contact with Portfolio Managers**

ACM is the only portfolio manager under the ACM Wrap Program. No restrictions are placed on a client's ability to contact or consult with ACM.

## **Item 9 – Additional Information**

### **Disciplinary Information**

There are no legal or disciplinary events to report at this time that are material to your evaluation of our advisory business.

### **Other Financial Industry Activities and Affiliations**

Gregory Alessandra, and George Johnson are both separately registered as representatives of First Allied Securities, an SEC registered broker-dealer and investment adviser, and member of the Financial Industry Regulatory Authority (“FINRA”). First Allied Securities (BD) is a fully disclosed, full service broker-dealer that buys and sells a full range of securities including stocks and bonds. First Allied Securities (BD) has a clearing and custodial relationship with JP Morgan. In addition, Messrs. Alessandra and Johnson are licensed to sell commission-based insurance products through various insurance companies.

In their roles as registered representatives, Messrs. Alessandra and Johnson may provide brokerage services for ACM clients after obtaining (where required) the prospective approval of its clients. ACM directs the securities transactions for its advisory clients through First Allied unless otherwise instructed by a client. Messrs. Alessandra and Johnson personally receive reasonable but customary brokerage commissions and 12 b 1 fees for transactions directed to First Allied by ACM.

The broker-dealer and insurance affiliations gives the advisory associates multiple sources of potential compensation. This represents a conflict of interest because ACM associates have an incentive to recommend that ACM clients use the brokerage services provided by the advisory representatives in their capacity as registered representatives of First Allied Securities and insurance services in their capacity as independent agents. Clients are not obligated in any manner to implement the recommendations of ACM advisory associates in their separate capacities as registered representatives and insurance agents. More information about First Allied Securities may be found at [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

ACM and E-Futures, a division of Penson Futures, a futures commission merchant registered with the Commodity Futures Trading Commission (“FCG”), have entered into a Guaranteed Introducing Broker Agreement pursuant to which ACM solicits and accepts orders for the purchase and sale of commodity futures contracts and options from certain clients. Commodity clients open and hold their account with E-Futures/Penson Futures and ACM executes all of the futures/options orders it receives from its commodities clients through E-Futures/Penson Futures. ACM receives a portion of the gross commissions being charged by E-Futures/Penson Futures.

ACM is also engaged in discretionary trading of some of its clients’ managed futures accounts. ACM receives a combination of commissions, annual asset-based fees and/or an incentive fees based on new profits generated within an account for this service.

### **Code of Ethics**

ACM has adopted a Code of Ethics (“Code”) for the purpose of establishing and implementing ethical obligations and to provide rules for review of the personal securities transactions of its supervised persons. ACM owes a duty of loyalty, fairness and good faith towards its clients, and

it is obligated to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other general ethical issues. Any associate of ACM that does not observe the provisions of the Code may be subject to discipline.

All supervised persons at ACM must acknowledge the terms of the Code of Ethics annually, or as amended.

ACM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Greg Alessandra. ACM will provide a copy of its Code of Ethics at no charge.

### **Client Transactions**

Associates of ACM may own interests in or buy or sell for their own accounts the same securities that are purchased or sold for the accounts of advisory clients. Client orders are given priority (orders entered first), and ACM seeks to ensure that its associates do not personally benefit from the short-term market effects of their recommendations to clients.

### **Personal Trading**

The personal investment accounts of ACM associates are subject to reviews designed to identify and address any conflicts of interest, and rule or policy violations. For instance, the personal investments are reviewed to monitor for instances in which an associate's transactions are more favorably priced or timed than the same or similar trades for clients, and other such reviews. The quarterly reviews ensure that the personal trading of associates does not affect the markets, and that at all times, the interests of ACM's clients come before the associate's interest. Furthermore, FINRA rules require First Allied Securities to supervise the personal trading and outside activities of its registered representatives. As a result of this requirement, First Allied Securities places a number of restrictions on the personal trading of Messrs. Alessandra and Johnson, and broker-dealer compliance personnel monitor the trading activities in Messrs. Alessandra's and Johnson's personal investment accounts.

In addition to the personal investment account reviews discussed above, in order to mitigate conflicts of interest, ACM requires its advisory associates to adhere to the specific provisions described in the firm's Code of Ethics. These provisions are designed to assure that the personal securities transactions, activities and interests of ACM associates will not interfere with making decisions in the best interest of advisory clients while at the same time allowing associates to invest for their own accounts.

### **Client Referrals and Other Compensation**

ACM does not engage solicitors or pay related or non-related persons for referring potential clients to ACM.

From time to time, ACM may refer clients to unaffiliated professionals for specific needs. ACM does not have any agreements with these professionals and it does not receive any compensation for these referrals.

ACM only refers clients to professionals it believes are competent and qualified in their field. However, it is ultimately the client's responsibility to review the provider. ACM will generally provide the client with the professional's contact information, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and ACM does not have any control over the services they provide. Clients that choose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by ACM. If the client desires, ACM will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's portfolio and to coordinate services for the client. ACM will never share information with an unaffiliated professional unless first authorized by the client.

### **Review of Accounts**

Gregory Alessandra, Managing Member, Portfolio Manager and Chief Compliance Officer, and/or George Johnson, Portfolio Manager, will generally review all accounts no less frequently than weekly or monthly. The frequency of reviews is determined by many factors including the client's individual circumstances, economic conditions, general factors affecting the stock market, the nature of the portfolio, or other factors. Investment portfolios are reviewed for consistency with the investment strategy and performance. The reviews include at minimum an evaluation of the portfolio holdings relative to a client's stated objectives, and an appraisal of the performance in the account relative to expectations based on market performance, economic conditions, allocation in the account and other factors. Based on these reviews, ACM will rebalance a portfolio as needed.

### **Managed Account Review Meetings**

ACM offers account review meetings to clients on an annual basis. Clients may choose to receive reviews in person, by telephone, or in writing. Greg Alessandra and George Johnson conduct all managed account reviews. They conduct reviews individually or as a team based on each client's relationship with ACM. The factors that determine the frequency of client review meetings include but are not limited to stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts.

In addition, ACM may conduct a special review of an account based one or more of the following:

1. A change in the client's investment objectives, guidelines and/or financial situation;
2. Changes in diversification;
3. Tax considerations;
4. Material cash deposits or withdrawals; and
5. Purchase or sale of a security in the account.

Portfolio reviews and managed account meetings are considered an integral part of the management service, and do not trigger any additional fees to the client.

### **Account Reporting**

Wrap fee program clients will receive written statements (monthly or quarterly depending on the level of activity in the account) and transaction confirmations directly from the account

custodian (either in paper or electronic format as agreed upon by the client). ACM also provides clients with the following:

- Written quarterly report that summarizes the client's account(s) performance.
- Management fee bill that details how the quarterly fee was calculated
- Additional reporting as agreed upon by ACM and the client on a case-by-case basis.

ACM encourages clients to compare the custodial statements with the written reports ACM provides to reconcile and compare holdings, prices, transaction records, reconcile the account value to the fee invoice, and review other activity in the account.

### **Financial Information**

ACM is not required to include financial information in our Wrap Fee Program Brochure because ACM does not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

ACM does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.