

Coldstream

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September 12, 2012

This Brochure provides information about the qualifications and business practices of Coldstream. The oral and written communications of an Adviser provide you with information to help you determine to hire or retain an Adviser. If you have any questions about the contents of this Brochure, please contact us at 425.283.1600 or via www.coldstream.com.

Coldstream is an investment adviser registered with the United States Securities and Exchange Commission (SEC). Registration of an investment adviser does not imply that Coldstream or its directors, officers, employees or representatives have attained a particular level of skill, ability or training.

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 Coldstream Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Coldstream who are registered, or are required to be registered, as investment adviser representatives of Coldstream.

Item 2 – Material Changes

This Brochure dated September 12, 2012 is a document prepared according to the Securities and Exchange Commission's new requirements and rules effective October 12, 2010, and is an update to our previous brochure dated March 27, 2012.

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. Updated interim Brochures will be provided to you as necessary based on changes or new information, without charge.

Currently, our Brochure may be requested by contacting our Client Services Team at 425.283.1600 or clientservices@coldstream.com. Our Brochure is also available on our web site www.coldstream.com , also free of charge.

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Brochure Supplement

Item 4 – Advisory Business

Coldstream is a majority employee owned comprehensive wealth management firm founded in 1996, based in Bellevue, Washington. Coldstream offers a full range of wealth management services, including portfolio management, family advisory, risk management, financial, retirement & education planning, and wealth transfer planning. Internal expertise is blended with selected outside advisors to provide a cohesive, holistic platform of guidance to clients.

Tailoring of Advisory Services

Coldstream manages client portfolios on a team basis, consisting of :

- Relationship Manager
- Portfolio Manager
- Private Client Services Associate
- Director of Wealth Planning
- Private Client Services Administrator
- Chief Investment Officer & Investment Strategy Group

Client portfolios are managed independently based on clients' situations, risk tolerance and investment objectives pursuant to an investment policy statement, which may include certain investment restrictions imposed by clients. For example, a client may restrict the purchase of certain securities, such as tobacco and "sin" stocks. Coldstream typically meets with clients at least annually to review progress and the client's expectations for their portfolio. We also provide clients with quarterly reports that provide a review of assets and current and historical performance. If the client chooses to, they may opt to access their account information and reports electronically via a secure login on our website at www.coldstream.com.

Wrap Fee Program

Not applicable.

Following is a listing of the principal (25% or more) shareholders of Coldstream:

Kevin M. Fitzwilson - Partner

Assets Under Management

As of December 31, 2011, managed a total of:

Discretionary Assets: \$ 1,072,907,975

Non-Discretionary Assets: \$ 45,877,029

Total Assets : \$ 1,118,785,004

Item 5 – Fees and Compensation

The current Coldstream basic fee schedule is as follows:

Minimum account size for private portfolio management is \$2,000,000.

The minimum may be waived at a Coldstream Managing Partner's discretion.

1.00% on the first \$5 Million of assets under management

0.85% on the next \$10 Million

0.75% on the next \$10 Million

After \$25 million - negotiable

Financial planning reviews and facilitating Family Office Consulting services are included in the basic fee schedule for clients with assets under management greater than \$2 million or paying in excess of \$20,000 in annual fees. Coldstream may charge a retainer and/or hourly fees for financial planning, concierge / consulting and related services depending upon the complexity and time involved with a client engagement.

Financial Planning

For clients choosing to engage Coldstream solely for Financial Planning, the fee is negotiable based on the complexity and scope of the engagement. The fee for our typical engagement is \$5,000, but in each case, the fee arrangements are negotiated with the client separately.

Family Office/Consulting Services

For clients that engage Coldstream solely for Family Office or Consulting Services, the fee is negotiable based on the complexity and scope of the engagement. In each case, the fee arrangements are negotiated with the client separately.

Limited Partnership Fees

Fees associated with a Coldstream Limited Partnership are assessed separately as per the agreement for each partnership.

Additionally, for Coldstream Partnerships and any other investments in a Fund of Funds structure, expenses may be a higher percentage of net assets than would be the case in other investment entities. In investing in a fund of funds Partnership, which in turn invests through Sub-Advisors, an investor will, in effect, incur the costs of two forms of investment advisory services: the management fee to cover expenses and profits allocated to the General Partner for selecting Sub-Advisors, as well as the performance and other fees paid to Sub-Advisors themselves.

Fee Payment

Fees are paid quarterly in advance based on the market value of the account on the last day of the prior quarter. The basic fee schedule may vary at the portfolio manager's discretion based on the scope of the total relationship. Fees may vary from the applicable schedules above based on factors such as client type, asset class, pre-existing relationship, service levels, portfolio complexity and account size or other special circumstances or requirements. Some existing clients may pay higher or lower fees than new clients. Related accounts may be aggregated for fee calculation purposes in certain circumstances.

In certain circumstances, Coldstream may charge an hourly or flat fee for advice not directly related to a specific account or for advice on investment accounts not actively managed by Coldstream. The fees will vary based on the circumstances involved, e.g., responsibilities involved, relationship to Coldstream, expectations of significant capital additions in the future, and/or the composition of the client's account, among other reasons. In each case, the fee arrangements are negotiated with each client separately.

In cases when the advisory agreement does not span the full billing period, fees are prorated through the date of termination for the current billing period and refunded to the client.

Termination can be made by either party and is effective immediately upon receipt of written notice as per the investment advisory agreement. Initial billable quarters may be pro-rated based on value of assets viewed in arrears, and length of time under management.

All fees paid to Coldstream for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees generally include fund management fees, fund expenses, and possibly a distribution fee. These fees and expenses are described in each fund's prospectus.

In addition, we may on occasion recommend that a portion of the assets for a client be managed by one or more sub-advisors. If this is the case, the client hires the sub-advisor directly, and no referral fees are paid. The clients who utilize the sub-advisor(s) will pay investment management fee(s) to that adviser, in addition to what they pay the Adviser.

Coldstream may receive compensation for insurance products or services that are sold to clients by insurance licensed Coldstream employees or third party insurance providers. Clients have the option to purchase insurance products or services through other brokers or agents who are not affiliated with Coldstream.

Coldstream fees do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Coldstream fees.

Coldstream believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Coldstream.

Item 12 further describes the factors that Coldstream considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g. commissions).

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

In some cases, Coldstream has entered into performance fee arrangements with qualified clients:

Coldstream serves as General Partner to Coldstream Alternative Strategies Fund, LP, a Washington Limited Partnership, which was formed on May 21, 2002. Coldstream receives a management fee and a “Performance Incentive Fee” for performance in excess of a specified hurdle. Investment in this fund is for qualified investors only. Please refer to the Coldstream

Alternative Strategies Fund Private Placement Memorandum and all amendments for detailed information.

Coldstream performance fees are charged in accordance with the requirements of Rule 205-3 under the Investment Advisors Act of 1940.

- In measuring clients' assets for the calculation of performance-based fees, Coldstream includes realized and unrealized capital gains and losses.
- Because Coldstream is compensated based in part on capital appreciation, there may be an incentive for Coldstream to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.
- Coldstream has procedures designed and implemented to ensure that all clients subject to any performance or incentive fee arrangements are treated fairly and equally.
- Upon the redemption or withdrawal of an investor's interest in an investment fund, the pro-rata portion of the performance allocation or fee allocable to such investor is charged to the investor at the next instance a performance fee is assessed.
- All Coldstream funds are subject to an annual audit conducted by a qualified, independent auditor.

Additionally, Genesee Investments LLC, a wholly owned subsidiary of Coldstream, provides investment advice on a discretionary basis to affiliated, privately offered Genesee investment funds (the "Genesee Funds") intended for sophisticated and institutional investors. Genesee is paid a performance based incentive fee based on the profits allocated during the year. The performance-based fee is based on the share of capital gains on or capital appreciation of an investor's investment. Genesee will not receive a performance fee with respect to any investor in a particular year unless the investor has recouped any prior years' losses. The incentive fee is accrued monthly and payable annually. Genesee can make monthly draws and any draws in excess of the actual performance fee earned (if any) must be re-paid promptly after each year-end.

Investors should refer to each Fund's Offering Memorandum, Subscription Agreements and other offering documents for addition/supplementary information regarding the Funds as well as the fees and expenses paid by the Funds.

Item 7 – Types of Clients

Coldstream provides comprehensive wealth management services to the following types of clients:

- Affluent Individuals and their Families
- Corporate Executives
- Business Owners
- Multi-Generational Family Wealth
- Professional Athletes
- Private Foundations
- Corporate Pension and Profit Sharing plans
- Endowments and Not-for-Profit Organizations

Limitations to authority may be based upon specific written objectives and guidelines between Coldstream and the client, ERISA regulations or other regulatory body directives.

Minimum account size for private portfolio management is \$2,000,000.

The minimum may be waived at a Coldstream Managing Partner's discretion.

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

Methods of Analysis

Our investment management solutions are designed to manage portfolios by integrating our internal expertise with external portfolio management in global equity, global fixed income and alternative investment strategies. Our methods of security analysis include fundamental, technical and cyclical analysis. Sources of information used by Coldstream include financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, and filings with the Securities and Exchange Commission; and company press releases.

The Investment Strategy Group

The Chief Investment Officer and our Portfolio Managers also serve as members of the Coldstream Investment Strategy Group. The group meets regularly to review, analyze and discuss the various forces and factors that affect the financial markets and, in turn, the client portfolios we manage. The group's review parameters include, for example, macroeconomic trends, Federal Reserve Policy, inflation, currency influences, valuation metrics and risk/reward profiles for various markets, market sectors and asset classes. The Investment Strategy Group assesses the impact these factors may have on client portfolios, and distributes guidance to the Client Relationship Teams at least quarterly.

Investment Management Strategies

At Coldstream, we carefully combine and balance non-correlated assets, seeking to reduce risk and capture returns. Our disciplined process relies on our direct experience in discrete asset classes and our understanding of the function each plays in achieving a diversified portfolio.

What follows is a listing of many of the asset classes and investment vehicles we advise on and frequently utilize in client portfolios:

- Domestic, International, and Emerging Markets
- A range of equity capitalizations, from Large to Small Cap Stocks
- A full range of fixed income instruments, from High Yield Corporate Bonds to Municipal Bonds and Treasuries
- Alternative Investments, including Absolute Return and Directional hedge fund strategies, Venture Capital, and Leveraged Buy-Outs
- Tangible Assets, including both public and private real estate, commodities, timber, and other natural resources, etc.

Global Equity

Dividend Growth Strategy: This strategy consists of building and managing individual-issue common stock portfolios designed to provide meaningful dividend income while maintaining exposure to the market. The strategy primarily focuses on investing in large cap common stocks (comprised primarily of domestic securities but may hold foreign ADR's as well) that provide strong growth potential and attractive dividend and yield opportunities, and seeks to create a portfolio structure that is less volatile and more predictable than the overall stock market. Companies are selected based on a comprehensive scoring process that reviews valuation, earnings, expectations, key fundamental issues, and technical price behavior.

The Dividend Growth Strategy may be used in individual portfolios, and is also used by the Coldstream Dividend Growth Fund, an Advisory Series Trust mutual fund. Please refer to the fund prospectus and offering documents for information on investment in the fund. Also refer to Item 11 of this Brochure for additional information on trading in the Coldstream Dividend Growth Fund.

Tax-Managed Equity Strategies: Coldstream builds and manages equity portfolios designed to track the S&P 400 Index, S&P 500 Index, S&P 600 Index, or Nasdaq 100 Index with minimal dispersion, but strives to yield higher total after-tax returns vs. a passive index. Securities in this strategy are separately owned and managed in the investor's name, allowing for flexibility in tax management.

Sub-Advised Strategies: Coldstream offers access to external money managers, mutual funds, and equity or indexing strategies, for various investment disciplines as desired by the client and when appropriate for the client's situation.

Equity Strategy Risks

Equity Market Risk –

- An investor could lose money due to a sudden decline in the share price or to an overall decline in the stock market. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.
- Our strategy for managing these portfolios may not achieve the desired results or may be less effective than other strategies in a particular market environment.
- Investments in foreign equity securities involve increased risk due to political, social and economic developments abroad as well as differences between regulatory practices.
- A higher turnover rate may indicate higher transaction costs and may result in higher taxes in taxable accounts. These costs may also affect the strategies' performance.

Management Risk –

- Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated.
- The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results.
- Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.
- We conduct extensive quantitative and qualitative research, drawing on numerous analytic tools and a database of thousands of traditional and alternative asset managers. Security selection follows similar protocols. For all the investments we make, our due diligence efforts are thorough and ongoing.

Small and Mid Cap Company Risk –

- Investments in small and mid cap companies may be riskier than investments in larger, more established companies.
- The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies.
- Small and mid cap companies may be more vulnerable to economic, market and industry changes.

Global Fixed Income

Coldstream builds and manages individual-issue corporate, US Treasury, and municipal bond portfolios customized to a client's specific diversification requirements, income needs, time horizon, tax considerations and state of residence.

Our strategy is to assess the overall direction of interest rates and determine position durations accordingly. We analyze the yield curve to determine the most advantageous portfolio construction. We determine the relative attractiveness of corporate vs. municipal and government and/or government agency securities.

Based on the results of our analysis, we adjust durations/maturities when conditions indicate and shorten portfolio exposure when necessary to preserve capital. This means that when we believe interest rates are falling, we lengthen duration to take advantage of the increased returns that should be available as rates drop. Likewise, when market indicators warn of forces that threaten the markets, our managers will seek to shorten portfolio maturities and durations with the goal of limiting potential declines.

Structured Notes: Coldstream uses structured notes in individual portfolios to provide targeted exposure to an investment thesis. These investments provide exposure to a given market with a risk/reward profile that is typically unattainable through other investments.

Fixed Income Risks

Fixed Income Market Risk –

- A rise in interest rates may cause accounts participating in this strategy to decline in value. When interest rates are low, the income distribution may be reduced.
- The value of any of the investments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the securities; such as the effect on mortgage-related securities from real estate market weakness or defaults on underlying mortgages.
- The duration of these securities affects risk, with longer term securities generally more sensitive to interest rates and more volatile than shorter term securities.

Management Risk –

- Our judgments about the attractiveness, value, and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated.
- The value of an individual security can be more volatile than the market as a whole, and our intrinsic value approach may fail to produce the intended results.

Credit Risk –

- There is a risk that issuers and counterparties will not make payments on the securities they issue.
- In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security.

Structured Instrument Risk –

- The price of structured instruments may be more volatile than other debt securities
- Although structured instruments may be sold in the form of a corporate debt obligation, they may not have some of the protection against counterparty default that may be available with publicly traded debt securities.
- Issuers generally are not obligated to provide a secondary market for structured products that they issue; most universally do so in order to facilitate ongoing issuance. Generally the issuer of a given structured note is the only available market maker.
- Even with exchange listed structured notes there is generally limited market making
- Consequently, the issue is not the lack of a secondary market but rather the transparency and price quality, and the credit worthiness of the underlying issuer of the product
- The securities may not be principal protected, or only partially principal protected; there may be the possibility you will receive less at maturity than you originally invested

Alternative Investment Strategies

Real Estate: Coldstream offers direct access to high quality private real estate limited partnerships and diversified multi-project real estate pooled partnerships for qualified investors seeking the tax, income, and diversification benefits of private real estate. Coldstream may also invest in real estate focused exchange-traded funds (ETFs).

Hedge Fund of Funds: Coldstream offers access to its internally managed hedge fund of funds, which pursue multiple strategies to diversify risks and reduce volatility.

Private Equity and Venture Capital funds: Coldstream offers access to third-party managed partnerships in U.S. and non-U.S. venture capital and growth equity, buyouts and special situations.

Real Estate Risk –

- Real Estate Investment Trusts (REITS), although not a direct investment in real estate, are subject to the risks associated with investing in real estate.

- The value of these securities will rise and fall in response to many factors including economic conditions, the demand for rental property and changes in interest rates

Alternative Investment Risks

- Some private funds, including the Coldstream hedge fund of funds, are exempt from SEC registration and only available to institutions and “accredited” or “qualified” investors. Such investors are assumed to be sophisticated purchasers who have no need for liquidity and who are able to withstand the loss of some or all of their investment.
- Alternative Investment strategies are intended to further diversify investor holdings and are not considered a stand-alone investment program.
- Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk and these investments should be viewed as a long-term investment. Investors should not consider investing in the private funds with less than a multiple-year time horizon. There may be no established market for interests, nor is it possible for one to develop as a result of legal restrictions.
- Partnership and fee expenses may be a higher percent of net assets than would be the case in other investment entities; performance or incentive fees may also be assessed in addition to management and administrative fees.
- Please refer to the fund offering documents and Private Placement Memorandums for specific information on the strategies, risks and qualifications for investing in a particular private investment.

Please remember that investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Coldstream or the integrity of Coldstream’s management. Coldstream has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Coldstream Capital Management, Inc. (“Coldstream”) is a subsidiary of Coldstream Holdings, Inc. All officers, directors, and employees are shared. All information contained in this filing reflect pass through information for Coldstream Holdings, Inc.

Coldstream Holdings, Inc. is the parent company of Coldstream Capital Management, Inc., an investment advisory firm, and Coldstream Securities, Inc., a broker-dealer registered with FINRA. Coldstream Capital Management, Inc. investment adviser representatives may also be registered as representatives of Coldstream Securities, Inc.

Coldstream Holdings, Inc. also has a wholly owned subsidiary, Genesee Investments, LLC, an independent investment adviser that provides investment advice on a discretionary basis to affiliated, privately offered investment funds (the "Genesee Funds") intended for sophisticated and institutional investors. Coldstream Capital Management, Inc., as the General Partner to the Coldstream Alternative Strategies Fund LP may make an investment in the Genesee Funds, if deemed appropriate for the strategy and its investors.

Coldstream Holdings, Inc. has a wholly owned subsidiary, Pacific Northwest Insurance, Inc., an independent, multi-carrier insurance agency specializing in providing property, casualty, life insurance and employee benefits for individuals, families and commercial businesses. Coldstream Capital Management, Inc. may make referrals to Pacific Northwest Insurance, Inc. and vice versa if deemed appropriate for clients. Revenue will be shared between the entities should successful referrals occur.

The Coldstream Alternative Strategies Fund LP is a member of Ascent Capital Fund II LLC. Ascent Capital LLC is a wholly owned subsidiary of Coldstream Capital Management, Inc. and Coldstream is the General Partner to the Coldstream Alternative Strategies Fund LP (ASF LP). The ASF LP has made an investment in the Ascent Capital Fund II LLC, and Coldstream may solicit clients to make an investment in the Ascent Capital Fund II LLC, if deemed appropriate for the client, their risk tolerances, and other factors. Ascent Capital Fund II LLC is a real estate lending partnership specializing in lending to single family home builders in King, Snohomish and Pierce counties.

Coldstream has an agreement with Fidelity Brokerage Services LLC, an independent and unaffiliated broker-dealer ("Fidelity") to participate in Wealth Advisor Solutions (the "Service"), an advisor referral service designed to help investors find an independent professional Investment Manager in their area. We do not pay a fee to participate in the Wealth Advisor Solutions Program. Our participation in the program may raise potential conflicts of interest, and we may have an incentive to recommend that clients custody asset with Fidelity. We may also have a potential conflict of interest between clients' interests in obtaining best execution and our interest in receiving future referrals from the broker or dealer.

Coldstream has an agreement with Fidelity to participate in the Fidelity Institutional Wealth Services RIA Match (the "Service"), a service designed to provide Advisors with prospective merger and acquisition referrals ("Prospects") . The agreement will not be construed as

creating a joint venture, partnership, franchise or agency between Coldstream and Fidelity or its affiliates. Upon the merger with or acquisition by Coldstream of Prospects obtained by Fidelity from an independent third party recruiter, and the actual conversion of assets under management, Coldstream shall pay a fee, when applicable, to Fidelity for obtaining Prospects from said third party recruiters.

Coldstream entered into an agreement with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer ("Schwab") to participate in Schwab AdvisorNetwork (the "Service"), an advisor referral service designed to help investors find an independent professional Investment Manager in their area. We terminated participation in this program as of 01/01/2007; however we continue to pay Schwab fees for client referrals historically received through the Service.

Coldstream participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC/NFA. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Coldstream receives some benefits from TD AMERITRADE through its participation in the program.

Coldstream may receive client referrals from TD Ameritrade ("TDA"), an independent and unaffiliated broker-dealer, through its participation in TDA's AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Coldstream may have been selected to participate in AdvisorDirect based on the amount and profitability to TDA of the assets in, and trades placed for, client accounts maintained with TDA. The TDA referral program is an advisor referral service designed to help investors find an independent professional Investment Manager in their area. TDA does not supervise Coldstream and has no responsibility for Advisor's management of client portfolios or Coldstream's other advice or services. Coldstream pays TDA an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Coldstream ("Solicitation Fee").

Coldstream will also pay TDA the Solicitation Fee on any advisory fees received by Coldstream from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Coldstream on the recommendation of such referred client. Coldstream will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or

otherwise pass Solicitation Fees paid to TDA to its clients. For information regarding additional or other fees paid directly or indirectly to TDA, please refer to the TD AMERITRADE AdvisorDirect Disclosure and Acknowledgement Form.

Coldstream's participation in AdvisorDirect raises potential conflicts of interest. TDA will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TDA and whose client accounts are profitable to TDA. Consequently, in order to obtain client referrals from TDA, Coldstream may have an incentive to recommend to clients that the assets under management by Coldstream be held in custody with TDA and to place transactions for client accounts with TDA. In addition, Coldstream has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD AMERITRADE or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Coldstream's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Coldstream on occasion will recommend that a portion of the assets for a client be managed by one or more sub-advisors. If this is the case, the client hires the sub-advisor directly, and no referral fees are paid. The clients who utilize the sub-advisor(s) will pay investment management fee(s) to that adviser, in addition to what they pay the Adviser.

Coldstream may receive compensation for insurance products or services that are sold to clients by insurance licensed Coldstream employees or third party insurance providers. Clients have the option to purchase insurance products or services through other brokers or agents who are not affiliated with Coldstream.

Coast Asset Management, LLC serves as one of the underlying managers in the Coldstream Alternative Strategies Fund (ASF), LP. Coldstream ASF LP will receive a solicitation fee from Coast for the portion of client assets in the LP which are managed by Coast; the fee is credited back against management fees to the limited partners on a pro rata basis.

Coldstream has Solicitor's agreements with individuals or other entities not associated with us for successful referrals of new clients. Coldstream pays a percentage of the management fee and/or performance based fee collected from the client to the referring party. Because these non-associated individuals or entities receive payment for successful referrals, a conflict of interest exists between prospective clients and the referrer. Clients under these agreements will not be charged fees higher than the standard fees described in Item 5. The compensation arrangement between Coldstream and the referrer is disclosed to prospective clients before

they enter into investment advisory relationships with us. We currently have Solicitor's agreements with:

- Berntson Porter Wealth Management, LLC, an investment adviser
- Cascadia Capital, LLC (a reciprocal agreement), an investment bank and registered broker-dealer
- AdvisorSource, investment adviser
- NFP Securities, Inc./CFP, an investment adviser and registered broker-dealer
- Red Rock Strategic Partners LLC (a reciprocal agreement), a consulting and business advisory firm
- HL Wealth Management LLC, an investment adviser
- Foundation Bank

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

Coldstream has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, employee related accounts, “front running”, 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 things.

Individuals associated with Coldstream are required to pre-clear all non-exempt purchases and sales. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Coldstream will not interfere with

- (i) making decisions in the best interest of advisory clients and
- (ii) implementing such decisions while, at the same time,
- (iii) allowing employees to invest for their own accounts.

To supervise compliance with the firm's Code of Ethics, Coldstream requires that associated persons with the firm provide annual securities holdings reports and quarterly transactions reports to the firm's Chief Compliance Officer. All supervised persons at Coldstream must acknowledge the terms of the Code of Ethics annually, or as amended, and are required to follow the Code of Ethics.

Under the Code of Ethics, officers, directors and employees of Coldstream and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Coldstream clients. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Coldstream and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Coldstream and its employees perform investment management services for many individual and institutional clients. Coldstream will not favor any one client over another in making advisory recommendations, subject to the suitability of those recommendations to a particular client and the specified investment objectives of the client. Coldstream and its employees may take investment action at different times from investment action recommended on behalf of a client and such investment action may be similar to or different from investment action (as to the advice given or the timing or nature of the action taken) on behalf of a client. In addition, Coldstream employees may, from time to time for their own account, purchase, sell, hold or own securities or other assets which may be recommended for purchase, sale or ownership for one or more clients. When a decision to purchase or liquidate a security from all applicable accounts is made, priority would always be given to the clients' orders before those of a related or associated person to the advisor.

Coldstream is the General Partner for Coldstream Alternative Strategies Fund, LP, a Washington Limited Partnership. The Partnership invests in a variety of securities. Coldstream Capital Management, Inc. may recommend investment in these Partnerships to qualifying clients. This practice creates a conflict of interest because we have an incentive to recommend or sell securities to clients based on our own financial interests, rather than solely the interests of a client. Qualified investors should refer to the offering documents and subscription agreements for each fund offered for information on the strategy and the capacity in which we are acting, before completion of the subscription documents. Assets invested in a Coldstream

Fund are excluded from the basic investment advisory fee calculations as stated in Item 5, but will be assessed the fund fees and expenses as explained in the fund offering documents.

Coldstream acts as investment advisor to the Coldstream Dividend Growth Fund pursuant to an investment advisory agreement (the "Advisory Agreement") with the Advisors Series Trust. In consideration of the services to be provided by the Advisor pursuant to the Advisory Agreement, the Advisor is entitled to receive from the Fund an investment advisory fee. Coldstream determines which securities are to be purchased and sold by the Fund and which broker-dealers are eligible to execute the Fund's portfolio transactions. Investment decisions for the Fund are made independently from those of other client accounts or mutual funds managed or advised by Coldstream. It is possible that at times identical securities will be acceptable for both the Fund and one or more of such client accounts or mutual funds. In such event, the position of the Fund and such client account(s) or mutual funds in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary.

However, to the extent any of these client accounts or mutual funds seek to acquire the same security as the Fund at the same time, the Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, the Fund may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular security at the same time. If one or more of such client accounts or mutual funds simultaneously purchases or sells the same security that the Fund is purchasing or selling, each day's transactions in such security will be allocated between the Fund and all such client accounts or mutual funds in a manner deemed equitable by Coldstream, taking into account the respective sizes of the accounts and the amount of cash available for investment, the investment objective of the account, and the ease with which a clients appropriate amount can be bought, as well as the liquidity and volatility of the account and the urgency involved in making an investment decision for the client. It is recognized that in some cases this system could have a detrimental effect on the price or value of the security insofar as the Fund is concerned. In other cases, however, it is believed that the ability of the Fund to participate in volume transactions may produce better executions for the Fund.

From time to time, with prior client approval (unless prohibited by a client's contract or applicable law), Coldstream may cross trade securities between its non-ERISA advisory clients. This shall be done only when deemed appropriate for the parties involved, and is made purely from an investment perspective. Coldstream in no way benefits from these transactions. Such cross-trades will generally take place through an independent broker-dealer and will be effected at the current independent market price of the securities involved in the trades. Confirmations of the details of each transaction are delivered to clients involved upon completion of each transaction. Identities of the parties involved will at all times remain confidential and will not be

disclosed to either party. Coldstream has not established procedures to effect cross trades in retirement plan accounts subject to ERISA and consequently will not perform such trades.

Coldstream has a related broker-dealer entity, Coldstream Securities, Inc. ('CSI') to whom it will occasionally direct private placement activity as an investment for Coldstream Capital Management, Inc. clients. CSI receives commission income for referring Coldstream clients for investment in a private fund. This may present a potential conflict of interest in making a recommendation for these investments. We strive to act in your best interest at all times, and our initial factor in selecting a private fund for client investment is identification of such that we believe to be suitable and appropriate for our clients. If, through our investment due diligence process, we become aware that the General Partner of the private fund will provide a finder's or referral fee (commission income), then we will engage the fund in discussions to facilitate the payment through our broker-dealer entity, Coldstream Securities, Inc. Commissions paid are received by CSI directly from the fund General Partner, and clients will pay a fund management fee to the General Partner whether or not a commission is paid to CSI. Clients do not additionally pay Coldstream a consulting fee on these private fund assets, thus avoid a fee layering situation. All Coldstream clients participating in an investment via Coldstream Securities, Inc. must sign a Solicitation Acknowledgement confirming their knowledge of the arrangement, the parties involved and the fee terms.

Coldstream clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer at 425-283-1600 or via mail at One 100th Ave NE Ste 102 Bellevue, WA 98004.

Item 12 – Brokerage Practices

Brokerage Execution

Unless otherwise designated in the client agreement, Coldstream shall determine the brokers used and the commissions paid in connection with securities transactions for a client's account. In placing such securities transactions, Coldstream will use its best efforts to obtain prompt execution of transactions at favorable prices and at commissions that are reasonable in relation to the benefits received. All brokerage commissions will be borne by the client and are not included as part of the advisory fees paid to Coldstream.

Coldstream has an obligation to obtain best execution of transactions for client accounts. The Company seeks to obtain best execution through a qualitative process, rather than a trade-by-trade basis, and not necessarily the best commission rate. In reviewing broker-dealers for "best execution" for clients, we consider:

- the value of research provided,
- the commission rate, past experience with the broker or mutual familiarity
- the broker's integrity and reputation
- the frequency of failed trades
- ability to work with the Coldstream Operations Department to resolve problems
- execution capabilities and responsiveness when placing transactions for a client

Coldstream does not maintain custody of your assets that we manage, (although we may be deemed to have custody of your assets in certain circumstances, such as if you have given us authority to withdraw assets from your account for management fee payments). Your asset must be maintained in an account at a “qualified custodian”, generally a broker-dealer or bank. We are independently owned and operated and not affiliated with our clients’ asset custodians.

Charles Schwab & Co., Inc., Fidelity Investments and TD Ameritrade are primary custodians for Coldstream client accounts and Coldstream places all equity trades through the custodian for execution. Coldstream believes they provide its clients with a blend of execution services, commission costs and professional services that will assist Coldstream in achieving best execution for transactions. Coldstream performs reviews to determine if commission amounts are reasonable in relation to the value of the brokerage and research services provided to Coldstream, viewed in terms of the particular transactions or the firm’s overall responsibilities of fiduciary duty with respect to its clients.

Our primary custodians generally do not charge advisor clients separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into the custodian accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions).

Our primary custodians provide us with access to their institutional trading and custody services, which includes:

- brokerage
- custody
- research
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Charles Schwab & Co., Inc., Fidelity Investments and TD Ameritrade also make available to us other products and services that benefit us but may not benefit you directly. Some of these

products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving registered investment advisers exclusively and access to bunched trading which provides us with the ability to combine securities transactions and then distribute the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting;
- provide compliance publications.

They also make available to us other services intended to help us manage and further develop our business. These services may include:

- Technology, compliance, legal, marketing and business consulting,
- Publications, and conferences on practice management and business succession;
- Educational conferences and events, and
- access to employee benefits providers, human capital consultants and insurance providers

They may also make available or arrange for these types of services to be provided to us by independent third parties. They may, for example:

- discount or waive the fees it would otherwise charge for some of the services it makes available to us.
- Pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with them, because we do not have to produce or purchase the products and services listed above.

- They may also provide us with other benefits such as occasional business entertainment of our personnel.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at our primary custodians. We do not attempt to allocate these benefits to specific clients. Because the amount of our compensation or the products or services we receive varies depending on the level of assets at a custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/ broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through our primary custodians may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by our primary custodians outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

As disclosed above, Coldstream participates in TD Ameritrade's institutional customer program and Coldstream may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Coldstream's participation in the program and the investment advice it gives to its Clients, although Coldstream receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. The benefits received by Coldstream or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Coldstream has a related broker-dealer entity, Coldstream Securities, Inc. ('CSI') to whom it will occasionally direct private placement activity as an investment for Coldstream Capital Management, Inc. clients. CSI receives commission income for referring Coldstream clients for investment in a private fund. This may present a potential conflict of interest in making a recommendation for these investments. We strive to act in your best interest at all times, and our initial factor in selecting a private fund for client investment is identification of such that we believe to be suitable and appropriate for our clients. If, through our investment due diligence process, we become aware that the General Partner of the private fund will provide a finder's or referral fee (commission income), then we will engage the fund in discussions to facilitate the payment through our broker-dealer entity, Coldstream Securities, Inc. Commissions paid are received by CSI directly from the fund General Partner, and clients will pay a fund management fee to the General Partner whether or not a commission is paid to CSI. Clients do not additionally pay Coldstream a consulting fee on these private fund assets, thus avoid a fee layering situation. Commissions received by CSI are negotiated on a case by case basis, dependent on factors such as the size of the capital commitments, terms of payment and

timeline of anticipated capital calls. All Coldstream clients participating in an investment via Coldstream Securities, Inc. must sign a Solicitation Acknowledgement confirming their knowledge of the arrangement, the parties involved and the fee terms.

The only restrictions on the above discretionary authority are those set by the client on a case by case basis. Clients who direct Coldstream to place all brokerage transactions through a specific brokerage may not be able to negotiate commissions or obtain volume discounts, which may severely limit its ability to seek best execution on client trades.

Trade Aggregation and Allocation

When implementing allocation of publicly traded equities for Coldstream executed strategies, the firm shall utilize a pro rata allocation procedure. If necessary to implement equity trade allocations in whole shares only, allocations are rounded down to the nearest 5 shares. There is no minimum whole share allocation for purchases. For sales, when selling a certain percentage point, we follow the same procedure and will round down to the nearest 5 shares. If the resulting position is less than 5 shares, the entire position will be sold.

In regards to fixed income trading, orders are not typically aggregated across Portfolio Managers, and are generally placed on an individual basis as deemed appropriate for individual client's unique portfolio circumstances. This may potentially cause trading inefficiency, should more than one Portfolio Manager be interested in trading a particular issue on the same day.

Initial Public Offerings ('IPOs') and Illiquid Securities

With respect to securities bought and sold, Coldstream may from time to time, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority (FINRA) (the "Rules") purchase equity securities that are part of an initial public offering (sometimes referred to as "new issues"). Under the Rules, brokers may not sell such securities to a private investment fund, if the fund has investors who are "restricted persons", which category includes (i) persons employed by or affiliated with a broker and (ii) portfolio managers of private investment funds and other registered and unregistered investment advisory firms, unless the fund has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. Coldstream generally allocates profits and losses with respect to new issues to investors that are unrestricted persons.

Coldstream may also from time to time make investments which are illiquid. The investments may be characterized as illiquid as a result of the structure of the security, restrictions, the significant size of an interest held, or the possession of characteristics similar to those of side pockets, for example.

- Accounts may be required to hold illiquid investments for a minimum specified period of time.

- In addition, investment strategies may require the holding of investments for a significant period of time in order to realize a return of or on invested capital.
- The selling of such investments prematurely may result in significant losses.
- Restrictions on redemptions may also affect Coldstream's ability to distribute redemption proceeds in a timely manner.
- Pricing and valuations are dependent on the frequency of receipt from the fund or investment manager. Update intervals are generally monthly or quarterly, but may be less frequent due to factors such as liquidity and availability of current market values of the underlying investments.

Soft Dollar Practices

Section 28(e) of the Securities Exchange Act of 1934 allows an adviser to cause an account to pay higher commissions if the adviser determined in good faith that the amount of commission is reasonable in relation to the value of brokerage and research services provided by such broker-dealer. As of January 1, 2008 Coldstream no longer conducts any soft dollar transactions that would fall under the description above.

Trade Errors

Coldstream conducts training and has implemented technological tools and procedures to minimize trading errors, but from time-to-time Coldstream may make an error in submitting a trade order on your behalf. When this occurs, we place a correcting trade with the broker-dealer which has custody of your account. It is the Firm's policy to restore the account to the position it should have been in had the trading error not occurred. If an investment gain results from the correcting trade, the gain may remain in your account. Coldstream maintains Firm error accounts with its custodians, and both gains and losses are moved into the Firm error accounts. If the Firm makes an error that results in a loss, we will pay for the loss; gains from errors may be netted against losses within the Firm error accounts. Losses will not be borne by our clients.

Coldstream may also correct trade errors by reallocating a purchased security to another client(s) account in situations in which Coldstream determines such allocation will be in the other clients' best interest. Such reallocations may prevent Coldstream from incurring trade error losses. Losses will not be allocated or reallocated to clients.

Item 13 – Review of Accounts

Client portfolios managed by Coldstream are assigned to a Client Relationship Management Team who has the primary responsibility for the account. Accounts are under continuous review as far as implementing any changes in investment strategy or policy, or in the fundamentals of a security owned in an account. Accounts are first reviewed after initial account setup. Additional

account reviews are conducted periodically for portfolio cash flows, security weightings, investment actions and restrictions to insure adherence to client stated guidelines or limitations.

Periodic portfolio reviews will be conducted by the Chief Investment Officer, and may also include one or more investment/research analysts. Reviews will be performed for each client portfolio, and will evaluate the alignment of each client's investments with their stated objectives, risk tolerances and restrictions, as well as alignment with firm investment strategies. Exceptions will be reviewed with each Client Advisor Team for correction and/or realignment if warranted.

Item 14 – Client Referrals and Other Compensation

Coldstream has Solicitor's agreements with individuals or other entities not associated with us for successful referrals of new clients. Coldstream pays a percentage of the management fee and/or performance based fee collected from the client to the referring party. Because these non-associated individuals or entities receive payment for successful referrals, a conflict of interest exists between prospective clients and the referrer. Clients under these agreements will not be charged fees higher than the standard fees described in Item 5. The compensation arrangement between Coldstream and the referrer is disclosed to prospective clients before they enter into investment advisory relationships with us. Coldstream currently has Solicitor agreements with:

- Berntson Porter Wealth Management, LLC, an investment adviser
- Cascadia Capital, LLC (a reciprocal agreement), investment bank and registered broker-dealer
- AdvisorSource, an investment adviser
- NFP Securities, Inc./CFP, an investment adviser and registered broker-dealer
- Red Rock Strategic Partners LLC (a reciprocal agreement), a consulting and business advisory firm
- HL Wealth Management LLC, an investment adviser
- Foundation Bank

Coldstream participates in the Fidelity Wealth Advisor Solutions program. Wealth Advisor Solutions is a referral program designed to introduce high net worth investors to independent registered investment advisors. We do not pay a fee to participate in the Wealth Advisor Solutions Program. Our participation in the program may raise potential conflicts of interest as we may have an incentive to recommend that clients custody asset with Fidelity.

Coldstream may receive client referrals from TD Ameritrade ("TDA") through its participation in TDA's AdvisorDirect (the "referral program"). TD AMERITRADE is a discount broker-dealer independent of and unaffiliated with Coldstream and there is no employee or agency relationship between them. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Our participation in the program may raise potential conflicts of interest, as selection to participate in AdvisorDirect is based in part on the amount and profitability to TDA of the assets in, and trades placed for, client accounts maintained with TDA. The TDA referral program is an advisor referral service designed to help investors find an independent professional Investment Manager in their area.

Coldstream also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Morningstar Advisor Workstation and Zacks Investment Research, research tools to be used by Coldstream to evaluate investments for the benefit of all or a substantial number of Coldstream client accounts, including accounts which may not be held at TD Ameritrade. TD Ameritrade provides the Additional Services to Coldstream in its sole discretion and at its own expense, and Coldstream does not pay any fees to TD Ameritrade for the Additional Services. Coldstream and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Coldstream's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Coldstream, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Coldstream's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Coldstream, in its sole discretion, provided certain conditions are met.

Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to Clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Coldstream's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including seeking best execution of trades for Client accounts.

Coldstream entered into an agreement with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer ("Schwab") to participate in Schwab AdvisorNetwork (the "Service"), an advisor referral service designed to help investors find an independent professional Investment Manager in their area. Coldstream terminated participation in this program as of 01/01/2007; however Coldstream continues to pay Schwab fees for client referrals historically received through the Service.

We receive an economic benefit from Schwab, Fidelity and TD Ameritrade in the form of the support products and services they make available to us and other independent advisors that have their clients maintain accounts at these custodians. These products and services, how they benefit us, and the related conflicts of interest are described above (See Item 12 – Brokerage Practices).

Coldstream will not charge clients referred by any of the above parties any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to its clients. All clients referred from a party listed above must sign a solicitation acknowledgment form, confirming their knowledge of the arrangement, the parties involved and the fee terms.

Coldstream Holdings, Inc. has a wholly owned subsidiary, Pacific Northwest Insurance, Inc., an independent, multi-carrier insurance agency specializing in providing property, casualty, life insurance and employee benefits for individuals, families and commercial businesses. Coldstream Capital Management, Inc. may make referrals to Pacific Northwest Insurance, Inc. and vice versa if deemed appropriate for clients. Revenue will be shared between the entities should successful referrals occur.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct your custodian to deduct advisory fees directly from your account. The custodians maintain actual custody of your assets. You will receive account statements directly from your custodians (e.g. Schwab, Fidelity, TD Ameritrade) at least quarterly. Coldstream urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Accounts in which Coldstream is appointed as Trustee, or where a Standing Letter of Authorization is established are situations for which we have custody. Per the written agreements, these accounts allow Coldstream to move and transfer funds or securities and change account information. We aim to limit these types of accounts and each appointment is reviewed on a case-by-case basis. Coldstream complies with the requirements of the Custody rules by obtaining an annual surprise examination by a qualified accounting firm of those accounts for whom we are deemed to have Custody.

Coldstream also serves as General Partner to Coldstream Alternative Strategies Fund, LP. Advisers to pooled investment vehicles (e.g., hedge funds, etc.) have custody of client assets because their capacity as general partner of a limited partnership, managing member of a

limited liability company or trustee of a trust gives them legal ownership of or access to client funds or securities. Coldstream complies with the requirements of the Custody rules by obtaining an annual audit of the pool and delivering the audited financial statements to investors within 180 days of the pool's fiscal year-end.

Item 16 – Investment Discretion

Coldstream usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold, upon execution of a Coldstream Investment Advisory Agreement. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client investment portfolio.

As a courtesy, Coldstream may allow a Client to hold assets on an un-managed basis in the custodial account that also holds the Managed Assets. These un-managed assets will be identified as “Non-Managed” or “Unsupervised” on the Coldstream quarterly statements. The un-managed assets identified as “Non-Managed” or “Unsupervised” are not supervised on a regular and/or ongoing basis. The Client acknowledges their ongoing responsibility to supervise these assets as Coldstream does not manage or supervise them in any way.

When selecting securities and determining amounts, Coldstream observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies and ERISA clients, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment restrictions must be provided to Coldstream in writing.

Item 17 – Voting Client Securities

Unless you designate otherwise, we will vote proxies for securities held by our clients for which we serve as investment advisor.

In order to eliminate any potential conflicts of interest with reference to voting proxies, we have engaged Broadridge Financial Solutions (“Broadridge”), an independent third-party vendor, and its ProxyEdge voting service to process proxy votes for the firm's clients. In most cases, Coldstream has adopted the guidelines of and will generally vote in accordance with the recommendations of Broadridge. Broadridge utilizes the research and recommendation services of another third party provider, Glass-Lewis & Co. Services provided by Broadridge include:

1. Research and make voting determinations in accordance with approved proxy voting guidelines;
2. Vote and submit proxies in a timely manner;
3. Handle other administrative functions of proxy voting;
4. Maintain records of proxy statements received in connection with proxy votes and provide copies of such proxy statements promptly upon request;
5. Maintain records of votes cast; and
6. Provide recommendations with respect to proxy voting matters in general.

As a general matter, Coldstream reserves the right to override the applicable Recommendations or Guidelines in any situation where it believes that following such Recommendations or Guidelines is not in its clients' best interests.

A complete copy of our Proxy Voting Policy can be obtained by sending a request to:

Coldstream
Attn: Compliance
One 100th Ave NE Ste 102
Bellevue, WA 98004

Item 18 – Financial Information

Coldstream is required in this Item to provide you with certain financial information or disclosures about its financial condition. Coldstream has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.