

BBR Partners, LLC

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Brochure

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Contact Person: Michael Anson, Chief Compliance Officer

This brochure provides information about the qualifications and business practices of BBR Partners, LLC (“BBR”). If you have any questions about the contents of this brochure, please contact us at (212) 313-9870 or manson@bbrpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BBR Partners, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to BBR Partners, LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

Item 2 Material Changes

Item 15 – Custody

We are not a qualified custodian and do not provide custodial services to our clients, nor do we maintain physical possession of any client funds or securities. However, under the SEC’s Rule 206(4)-2 under the Investment Advisers Act of 1940, (“Custody Rule”) we are deemed to have custody because with client’s prior approval with their selected broker-dealer/custodian, we may debit our advisory fees directly from client accounts and in the exercise of our discretionary trading authority to invest client’s funds in non-affiliated private investment funds we have on file client’s standing authorization to instruct their selected broker-dealer/custodian to move funds for such type of investments. Such practices requires us to be subjected to an annual surprise examination by an independent public accountant in accordance with the Custody Rule requirements. Our Chief Compliance Officer, Michael Anson, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

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Item 4 Advisory Business

BBR Partners, LLC (“BBR” or “we”) is a New York-based registered investment adviser. We were formed on November 18, 1999 in the State of Delaware and became registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) in February 2000. Our Board of Managers consists of Brett H. Barth, Arthur E. Black and Evan M. Roth. Messrs. Barth, Black and Roth are also our principal owners.

We provide investment advisory services to wealthy families and individuals. Our services include developing a strategic asset allocation based on clients’ investment objectives, conducting due diligence on managers across the spectrum of asset classes, selecting managers to implement the allocation we developed, monitoring the investments on an ongoing basis, and providing administrative services. As a

manager of managers, we may allocate our advisory clients' assets across a range of traditional and alternative investment managers and strategies.

In order to create a comprehensive financial strategy, our holistic approach may also integrate non-investment related matters such as estate planning, tax planning, insurance planning, family education, philanthropic planning, college funding, etc. We have developed in-house expertise across these disciplines to assist in planning, however, we and our representatives are not attorneys, accountants, or licensed insurance agents.

We also provide comprehensive reporting services which can incorporate all of the client's investment assets and financial picture, including those investment assets that we do not manage for the client.

We provide investment advisory services specific to the needs of each client. A BBR representative will have discussions with each client prior to providing investment advisory services, to jointly determine the client's particular investment objective(s). We allocate each client's investment assets consistent with his or her designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on our services.

As of December 31, 2010, we had \$4,182,400,000 in assets under management on a discretionary basis, and \$1,209,200,000 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

Our annual investment advisory fee is generally based upon a percentage of the market value of assets placed under our management. Fees vary based on the size and nature of each client's needs. Our advisory fee is inclusive of all of our investment and wealth management services. Our standard annual client advisory fee schedule is as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$30 million	0.75%
Balance over \$30 million	0.50%
Balance over \$150 million	Negotiable

Our advisory fee is prorated and paid quarterly, in arrears. Both our standard *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the Client's account for the amount of our advisory fee and to directly remit that advisory fee to us in compliance with regulatory procedures.

In the appropriate circumstances, consistent with a client's investment objectives, we may allocate client assets to the BBR administered private investment vehicles which are designed to provide clients with greater access, diversification and liquidity by increasing buying power for certain alternative strategies. We generally receive an annual administrative fee from the investors in the BBR administered private investment vehicles, payable monthly in arrears, which is used to offset operating expenses that we bear, including legal, accounting, tax preparation, auditing and other professional expenses, administration expenses, regulatory and filing fees, and research expenses. We or our affiliate, BBR General Partner, LLC, a Delaware limited liability company ("BBRGP"), may also receive performance-based incentive allocations or fees from certain investors in the BBR administered private investment vehicles, although such incentive allocations/fees are generally waived for investors that are clients of BBR. The Board of Managers of BBRGP consists of Brett H. Barth, Arthur E. Black and Evan M. Roth. Messrs. Barth, Black and Roth are also the principal owners of BBRGP.

Our clients will incur other fees, including fees paid to broker-dealers, custodians, and third-party managers in connection with our management of their assets. We do not receive any portion of these fees. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (e.g., transaction fees are charged for certain no-load mutual funds, and commissions are charged for individual equity and fixed income securities transactions). All mutual fund and exchange traded fund purchase charges are imposed at the fund level (e.g., management fees and other fund expenses).

Neither BBR nor its representatives accepts compensation from third parties in connection with the sale of securities or other investment products.

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

Generally, assets of investment advisory clients that we manage are not subject to performance-based fees. Some investors in the BBR administered private investment vehicles are subject to performance-based fees or allocations. The terms of the performance-based fees and allocations may differ among the BBR administered private investment vehicles and the accounts we manage. This may result in a potential conflict of interest when we allocate opportunities among these funds and accounts because we may have an incentive to favor funds and accounts that have higher performance-based fees and allocations. To avoid this conflict of interest, performance-based fees/allocations are generally waived for investors in the BBR administered private investment vehicles who are our investment advisory clients. Our Chief Compliance Officer, Michael Anson, remains available to address any questions regarding this potential conflict of interest.

Item 7 Types of Clients

Our clients generally include families and individuals and the associated entities of those individuals such as trusts, estates, charitable organizations, family partnerships, foundations and business entities. We generally require a \$20 million per client minimum for investment management services.

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

Methods of Analysis and Investment Strategies

We meet with each client to determine their unique portfolio objectives and wealth management structure. Through this process, we work with the client to develop each account's specific asset allocation. At this stage, in conjunction with the client's objectives, we determine the appropriate managers for the client's portfolio. Currently, we allocate client investment assets primarily among various individual equity and fixed income third-party managers, mutual funds and/or exchange traded funds and private investment funds, including the BBR administered private investment vehicles, on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

We conduct manager due diligence processes which address qualitative, quantitative and operational issues. We assess each manager according to its specific investment strategies, its stated return objectives, expected volatility and associated risks. The type of due diligence we perform on a manager varies according to investment type and size. We will not have control over the day-to-day operations of any of the managers that we select.

We use an array of investment strategies and managers to create a diversified portfolio of assets in an attempt to produce consistent risk adjusted returns appropriate for a client's stated level of risk and objectives. We and the managers we hire for client portfolios may utilize one or more of the following investment strategies, among others:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

BBR's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. In addition to these fundamental investment strategies, BBR may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. See discussion below. In light of these enhanced risks, a client may direct BBR, in writing, not to employ any or all such strategies for his or her accounts.

Risk of Loss

There are risks associated with allocating client investment assets to managers. Clients could lose all or a substantial portion of their investment. Clients must have the financial ability, sophistication/experience and willingness to bear the risks of such an investment, including principal loss and liquidity restraints. Managers without limitation, may make investments that are not consistent with their stated risk/return profile, may not follow their own compliance procedures and/or may engage in dishonest acts.

Investing in securities involves risk of loss that clients should be prepared to bear, and a client should not assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies we recommend or undertake) will be profitable or achieve any specific performance level(s).

Every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Risks associated with the investment strategies that might be pursued by the managers we engage for our clients, either directly or through the BBR administered private investment vehicles, include the following:

Counterparty Risk - Disruption in the markets and negative perceptions about the short-term and long-term financial stability of a number of the third parties with which a client may do business, including brokerage firms, custodians and banks, could have a substantial negative affect on the performance of a client's portfolio. A default or bankruptcy by any one of these third parties could result in substantial losses, and there may be practical or time problems associated with enforcing the client's rights to its

assets in the case of an insolvency of any such party. In addition, custodians and broker dealers located outside of the United States may not segregate a client's assets from their own assets, thereby exposing the client to the credit risk of such parties.

Possible Lack of Diversification - Although we seek to obtain diversification for clients' portfolios by investing with a number of different managers with different strategies or styles, it is possible that several managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the client's investments to more rapid change in value than would be the case if his or her assets were more widely diversified.

Small Cap Stocks – Investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market often involve significantly greater risks than the securities of larger, better-known companies.

Foreign Securities - Investing in the securities of companies domiciled or operating in one or more foreign countries involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the U.S., including instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (*e.g.*, the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign securities than would result from investment in U.S. securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than the U.S. Foreign securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the U.S. Investments in foreign countries could be affected by other factors not present in the U.S., including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Use of Margin - Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.

Illiquidity – We may invest our clients' assets directly or through the BBR administered private investment vehicles in investment partnerships or other investment entities which may not allow withdrawals or redemptions for significant periods of time, especially if such investments are in illiquid instruments. Furthermore, if faced with significant withdrawal or redemption requests, one or more investment partnerships and other investment entities might elect to suspend redemptions or delay redemption payments. In the event of suspensions or delays, a client may be exposed to an increased risk of illiquidity.

Short Sales - Short selling is an investment strategy with a high level of inherent risk. Short selling involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (*i.e.*, broker-dealer) with the obligation of buying identical assets at a later date to return to the lender. An investor makes a profit when there is a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the investor will incur a loss if the price of the assets rises. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a

theoretically unlimited loss. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Currency Risks - Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Managers may try to hedge these risks by investing in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

High Yield Securities - Investments in “high-yield” bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities) are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings if general economic conditions deteriorate. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Derivative Instruments - To the extent the managers we retain for clients invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, a client may take a credit risk with regard to parties with whom they trade and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Options - The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, we will purchase or recommend the purchase of an option contract with the intent of offsetting (*i.e.*, “hedging”) a potential market risk in a client’s portfolio. Although the intent of the options-related transactions that we may implement is to hedge against principal risk, certain of the options-related strategies (*i.e.*, straddles, short positions, etc.) may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies.

Futures - Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and emotions in the marketplace. Futures trading is also highly leveraged. Further, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, a manager’s futures trading could be adversely affected by speculative position limits.

Special Situations - The managers we retain for a client may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the manager may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a client may be invested, either directly or through the BBR administered private investment vehicles, there is a potential risk of loss of the entire investment in such companies.

Potential Instability of Portfolio Companies - Companies in which the BBR administered private investment vehicles may invest through underlying managers may be in an early stage of development, may not have a proven operating history, may be operating at a loss, or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.

Real Estate - Investments in real estate properties are subject to the risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions, dependency on management skill, heavy cash flow dependency, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs and liability resulting from the clean-up of environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants, the financial condition of tenants, supply of or demand for competing properties in an area, accelerated construction activity, technological innovations that dramatically alter space requirements, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks (including possible terrorist activity) and government regulations. In particular, real property owners in the U.S. are subject to federal and state environmental laws which impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs. Investments in real estate or interests in real estate are generally illiquid.

Natural Resources - Investments in natural resource interests, such as timber, involve risks associated with natural resource prices and markets, and risks incident to ownership and development of timberland, including those associated with the cyclical nature of the forest products industry. In addition, timberland properties contain an inherent lack of liquidity which will be dependent upon the weighting of timber in each growth stage - in general terms, younger, and thus smaller trees, are less liquid than older, larger trees. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. Some environmental statutes impose strict liability rendering a person liable for environmental damage without regard to the person's negligence or fault. These laws or future legislation or administrative or judicial action with respect to protection of the environment may adversely affect the profitability of a client's investment.

A more detailed discussion of the risks associated with the investment strategies in which the BBR administered private investment vehicles may engage is contained in each of our affiliated private investment fund's offering documents, which we will provide to each client for his or her review and consideration prior to investing in an affiliated private investment fund. Unlike liquid investments that a client may maintain, private investment funds such as the BBR administered private investment vehicles

do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement pursuant to which he or she must represent that he or she is qualified for investment in the fund, and acknowledge and accept the various risks that are associated with such an investment.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Neither BBR nor any of its representatives is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

In order to hire a range of investment managers employing different strategies, BBR is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading adviser and commodity pool operator. Messrs. Barth, Black and Roth are registered as principals of BBR.

In order to enable certain clients to attain access to certain alternative investment strategies, we have created the BBR administered private investment vehicles that utilize aggregated client assets to invest in broadly diversified portfolios of alternative investments. We work with each client to assess whether these asset classes are appropriate for their portfolio in the context of the client’s investment objectives and whether they should access these asset classes via the BBR administered private investment vehicles. Each client’s investment needs and preferences will determine whether these vehicles are appropriate for that particular client and therefore, the BBR administered private investment vehicles may or may not be utilized for any given client.

The BBR administered private investment vehicles provide certain clients with greater access, diversification, and liquidity by increasing their buying power for certain strategies. We are able to diversify client investment assets among various underlying investment managers that our clients would otherwise: (1) not have direct access to; or, if direct access was available, (2) be unwilling to commit the requisite dollar amount of investment assets necessary to invest directly with such an investment manager. These funds typically also provide increased liquidity than the individual underlying managers.

BBR serves as the investment manager for certain of the BBR administered private investment vehicles, and for others, BBRGP serves as the general partner. The fees that are paid to BBR and BBRGP by investors in the BBR administered private investment vehicles are described in Item 5 above.

Because the BBR administered private investment vehicles generally collect an administrative fee that is paid to us and/or our affiliates, the recommendation that a client become an investor in an affiliated private investment fund presents us with a potential conflict of interest. In order to mitigate this conflict of interest, we disclose to each client the costs, benefits and implications of using the BBR administered private investment vehicles with respect to a client’s investment objectives. No client is under any obligation to invest in the BBR administered private investment vehicles. Our Chief Compliance Officer, Michael Anson, remains available to address any questions regarding this potential conflict of interest.

Due to investment capacity issues established exclusively by an investment manager, in many instances, a manager will limit the dollar amount that it is willing to accept for investment. In such instances, we allocate such investment opportunities first to the BBR administered private investment vehicles. This allows us to provide access to a larger number of our clients when capacity is limited. If excess capacity

exists after we make the desired allocation to the BBR administered private investment vehicles, we may then introduce such opportunity to those clients who have indicated both the ability and desire to invest directly with an investment manager, rather than via a diversified portfolio of such managers provided by the BBR administered private investment vehicles.

BBR does not receive compensation directly or indirectly from other investment advisers.

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

We have adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act, which establishes a standard of business conduct for all of our employees and owners based upon fundamental principles of openness, integrity, honesty and transparency. Our Code of Ethics includes provisions related to fiduciary responsibilities for clients, the confidentiality of client information, the prohibition of insider trading, and personal securities transactions, among other things. All of our employees and owners must acknowledge the terms of the Code of Ethics annually, and whenever they are amended.

In order to implement a plan consistent with a client's investment objectives, we and/or our representatives may recommend that clients invest through the BBR administered private investment vehicles. See Items 5 and 10 above.

We and/or our representatives may buy or sell securities that we also recommend to clients. This practice may create a situation where we and/or our representatives may be in a position to benefit from the sale or purchase of those securities. We have a personal securities transaction policy in place to mitigate any potential conflict of interest and monitor the personal securities transactions and securities holdings of each of our "Access Persons," which include all of our owners and employees. The policy is designed to detect activities that may violate our Code of Ethics, such as: insider trading, "front-running" (*i.e.*, personal trades executed prior to those of our clients), "scalping" (*i.e.*, a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) and other potentially abusive practices.

Our securities transaction policy requires that our Access Persons provide our Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide our Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date we select. Access Persons provide our Chief Compliance Officer or his/her designee with transaction reports for their securities holdings quarterly. In addition, our Chief Compliance Officer or his/her designee must approve all reportable personal security transactions prior to execution.

Our clients and prospective clients may request a copy of our Code of Ethics by contacting Michael Anson at the address listed on the cover page of this Brochure.

Item 12 Brokerage Practices

We may recommend a broker-dealer/custodian to a client for execution and/or custodial services upon the client's request. Clients are welcome to direct us to use any custodian or broker-dealer and we can work with virtually any custodian. Factors that we consider in recommending a broker-dealer/custodian to clients include pricing, historical relationship with us, financial strength, reputation, execution capabilities, research, and service. We have negotiated a discounted commission transaction fee schedule

with our recommended broker-dealers and custodians for the benefit of our clients, and will provide such fee schedule to all applicable clients. Prior to engaging us to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with us setting forth the terms and conditions under which we will manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Although it is not a consideration that we give much weight to when determining whether to recommend that a client use a particular broker-dealer/custodian, we may receive from a broker-dealer/custodian without cost (or at a discount), support services and/or products which help us to better monitor and service client accounts maintained at such institution. Some of these support services assist us in managing and developing our business. Included within the support services that we may obtain are investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, consulting services, invitations to conferences, meetings, and other educational and/or social events, providing speakers for client seminars, marketing support, computer hardware and software and/or other products that we use to further our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at such broker-dealers as a result of this arrangement. We do not make any corresponding commitment to a broker-dealer or anyone else to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Our Chief Compliance Officer, Michael Anson, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

We do not receive referrals from broker-dealers. We do not engage in directed brokerage arrangements.

To the extent that we provide investment management services to our clients, the transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We do not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

For those clients to whom we provide investment supervisory services, account reviews are conducted on an ongoing basis by our Client Service Directors and designated representatives. All clients should advise us of any changes in their investment objectives and/or financial situation and are encouraged to comprehensively review investment objectives and account performance with us. We may conduct account reviews other than on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, a market shift or a client request.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. We also provide investment advisory clients with a statement report no less frequently than quarterly, unless otherwise mutually agreed upon summarizing account holdings and activity. We hold in person or telephonic reviews with clients as frequently as each client requests.

Item 14 Client Referrals and Other Compensation

We do not receive fees or any direct economic benefit from any third parties who are not our clients.

If a client is introduced to us by a solicitor, we and/or our affiliates may pay that solicitor a referral fee in accordance with the requirements of the Advisers Act and any corresponding state securities law requirements. Any such referral fee will be paid solely by us or our affiliates, and will not result in any additional charge to the client. If a prospective client is introduced to us by an unaffiliated solicitor, we require the solicitor to disclose to the prospective client the nature of the solicitor's relationship with us, including the compensation to be received by the solicitor from us and our affiliates, and to provide the prospective client with a copy of this Brochure.

Item 15 Custody

We are not a qualified custodian and do not provide custodial services to our clients, nor do we maintain physical possession of any client funds or securities. Our clients are provided with transaction confirmation notices and regular summary account statements directly from their selected broker-dealer/custodian for their accounts. Clients are strongly urged to carefully review those confirmations and statements. We also provide our investment advisory clients with a statement report no less frequently than quarterly, unless otherwise mutually agreed upon, summarizing their account holdings and activity. To the extent that we provide clients with periodic account statements or reports, the client is strongly encouraged to compare any statement or report provided by us with the account statements received from the account custodian.

However, under the SEC's Rule 206(4)-2 under the Investment Advisers Act of 1940, ("Custody Rule") we are deemed to have custody because with client's prior approval with their selected broker-dealer/custodian, we may debit our advisory fees directly from client accounts and in the exercise of our discretionary trading authority to invest client's funds in non-affiliated private investment funds we have on file client's standing authorization to instruct their selected broker-dealer/custodian to move funds for such type of investments. Such practices requires us to be subjected to an annual surprise examination by an independent public accountant in accordance with the Custody Rule requirements. Our Chief Compliance Officer, Michael Anson, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

A client can elect to engage us to provide investment advisory services on a discretionary or a non-discretionary basis. In cases where we receive discretionary authority, we exercise that discretion in a manner consistent with the stated investment objectives for the particular client account. Prior to our assuming discretionary authority over a client's account, the client is required to execute an *Investment Advisory Agreement*, granting us authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name in the discretionary account. Clients who engage us on a discretionary basis may, at any time, impose restrictions, in writing, on our discretionary authority. (e.g., limit the types/amounts of particular securities purchased for their account, limit or proscribe our use of margin, etc.).

Clients who engage us on a non-discretionary investment advisory basis must be willing to accept that we cannot effect any account transactions without obtaining the client's prior consent. Thus, in the event of a

market correction during which the client is unavailable, we will be unable to effect any account transactions (as we would for our discretionary clients) without first obtaining the client's consent.

Item 17 Voting Client Securities

We are responsible for voting securities held in client accounts unless the client directs us otherwise. We consider it to be our fiduciary duty to preserve and protect our clients' assets including voting proxies for our clients' exclusive benefit. We vote proxies in accordance with our Proxy Voting Policy, a copy of which is available from our Chief Compliance Officer upon request. However, the client maintains exclusive responsibility for all legal proceedings and other similar types of events pertaining to his or her account assets, including, but not limited to, class action lawsuits.

We monitor corporate actions of individual issuers and investment companies consistent with our fiduciary duty to vote proxies in the best interests of our clients. With respect to individual issuers, we may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), we may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. We maintain records pertaining to our proxy voting as is required under the Advisers Act. Information pertaining to how we voted on any specific proxy issue is available upon written request addressed to our Chief Compliance Officer, Michael Anson.

Item 18 Financial Information

We are unaware of any financial condition that is reasonably likely to impair our ability to meet our contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy petition at any time during our history.