

Perennial Advisors, LLC

Form ADV Part 2A – Disclosure Brochure

Effective: August 29, 2013

This Disclosure Brochure provides information about the qualifications and business practices of Perennial Advisors, LLC (“Perennial”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 917-331-8489.

Perennial is a Registered Investment Advisor with the U.S. Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Perennial to assist you in determining whether to retain the Advisor.

Additional information about Perennial and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Perennial.

Perennial believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Initial Filing

Perennial is a new Registered Investment Advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Perennial.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information for Perennial:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **168859** (our firm's CRD number) in the field labeled "Firm IARD/CRD Number".
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at 917-331-8489.

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Item 4 – Advisory Services

A. Firm Information

Perennial Advisors, LLC (“Perennial” or the “Advisor”) is a Registered Investment Advisor with the U.S. Securities and Exchange Commission, which is organized as a Limited Liability Company (LLC) under the laws of the State of New York. Perennial was founded in July 2013, and is owned and operated by Managing Members, Scott F. Strasser and Christopher J. Heintz. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Perennial.

B. Advisory Services Offered

Perennial offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses and institutions in New York and other states (each referred to as a “Client”).

Account Portfolio Management

Perennial provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. Perennial works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Perennial’s wealth management philosophy is focused on understanding the unique needs of each Client and developing a customized and diversified management strategy to target those objectives. Our investment approach is long-term focused, with a deliberate approach to rebalancing and tax-efficiency.

Perennial constructs Client portfolios with a bias towards direct ownership of individual equity securities and low-cost exchange-traded funds (“ETFs”). Mutual funds and third-party managers may be employed as appropriate to meet the needs of its Clients. In addition, Perennial may utilize alternative investment strategies and other types of investments, as appropriate, to meet the needs of particular Clients.

Perennial’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Perennial will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Perennial evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Perennial may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Perennial may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Perennial may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Prior to rendering investment advisory services, Perennial will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].

Perennial will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Perennial accept or maintain custody of a Client’s funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

Managed Account Programs

Perennial may recommend to Clients that all or a portion of their portfolio be implemented by utilizing one or more unaffiliated money managers participating in a managed accounts program at the Client’s selected custodian (the “Program Sponsor”). The Client will then enter into a program and investment advisory agreement with the Program Sponsor and the participating money manager[s]. The Advisor will assist and

advise the Client in establishing investment objectives for the account, the selection of the money manager[s], and defining any restrictions on the account. Perennial will continue to provide oversight of the Client account and ongoing monitoring of the activities of the unaffiliated money managers.

These money managers will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the Program Sponsor will charge a program fee that includes the investment advisory fee of the money managers, the administration of the program and trading, clearance and settlement costs. The Program Sponsor will add Perennial's Investment Advisory Fee (described below in Item 5) and will deduct the overall fee from the Client account, generally at the start of each calendar quarter. The asset-based program fee is tiered and varies depending on the size of the account, the asset class of the underlying securities and the sub-advisor selected. The overall fee (including the Advisor's Investment Advisory Fee) will not exceed 3% annually.

Perennial does not receive any compensation from these unaffiliated money managers or the Program Sponsor, other than Perennial's Investment Advisory Fee (described in Item 5).

The Client, prior to entering into an agreement with a Program Sponsor, will be provided with the Program Sponsor's Form ADV Part 2 (or a brochure that makes the appropriate disclosures). In addition, Perennial and its Client will agree in writing that that selected Program Sponsor will manage the Client's account on a discretionary basis.

Selection of Other Advisors

Perennial may also recommend and refer clients to unaffiliated money managers or investment advisors at Perennial's discretion or Client's request. Through this arrangement, the Client will then enter into an advisory agreement with that sub-advisor to which that sub-advisor will assist and advise the Client in establishing investment objectives and develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such sub-advisor services, the sub-advisor will receive an investment advisory fee, billed based on the fee schedule the Client establishes with the unaffiliated money manager[s] or investment advisor[s].

Perennial will receive a portion of the investment advisory fee for the solicitation and referral of the Client to the sub-advisor, and may assist the Client in completing their Client questionnaire and account opening paperwork. Perennial may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship.

The Client, prior to entering into an agreement with unaffiliated money manager[s] or investment advisor[s], will be provided with the advisor's Form ADV 2 (or a brochure that makes the appropriate disclosures).

Financial Planning and Consulting Services

Perennial will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Planning or Consulting Agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for Clients based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, estate planning, education savings, charitable giving, tax minimization and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Perennial may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. Clients are not obligated to implement any recommendations made by

the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

C. Client Account Management

Prior to engaging Perennial to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – Perennial, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – Perennial will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Perennial will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Perennial will provide investment management and ongoing risk management and monitoring of the Client's portfolio and overall account.

D. Wrap Fee Programs

Perennial does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Perennial.

E. Assets Under Management

Perennial is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2013 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of Perennial and the Client.

A. Fees for Advisory Services

Account Portfolio Management

Investment Advisory Fees are paid quarterly in advance pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of assets under management at the end of each calendar quarter. Investment Advisory Fees are based on the following schedule:

Assets Under Management	Annual Rate
Up to \$5,000,000	1.10%
\$5,000,001 to \$10,000,000	0.90%
Over \$10,000,000	0.70%

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Perennial will be independently valued by the designated Custodian. Perennial will not have the authority or responsibility to value portfolio securities.

Managed Accounts Programs

Fees for Clients participating in managed accounts programs will include Perennial's Investment Advisory Fee above plus the Program Sponsors Fee.

Selection of Other Advisors

For Clients referred to an unaffiliated investment advisor, the Client's fee will be deducted from the Client's account[s] with the respective manager and a portion of the investment advisory fee will be provided to Perennial. Please see Item 14 for additional details.

Financial Planning and Consulting Services

Perennial offers financial planning or consulting services on an hourly basis at a rate of \$300 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

The Advisor's fee is exclusive of, and in addition to brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

B. Fee Billing

Account Portfolio Management

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Perennial at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Perennial to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

Financial Planning and Consulting Services

Financial planning and consulting fees are invoiced by the Advisor and are due upon receipt of the agreed upon deliverable.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Perennial, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by Perennial is separate and distinct from these custodian and execution fees.

In addition, all fees paid to Perennial for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Perennial, but would not receive the services provided by Perennial which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Perennial to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Account Portfolio Management

Perennial is compensated for its services in advance of the quarter in which investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with Perennial, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid

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Investment Advisory Fees from the effective date of termination to the end of the quarter. The Client's Investment Advisory Agreement with the Advisor is non-transferable without the Client's written approval.

Unaffiliated Money Management

In the event that a Client should wish to terminate their relationship with a managed accounts program or unaffiliated investment advisor, the terms for termination will be set forth in the respective agreements between the Client and those third parties. Perennial will assist the Client with the termination and transition as appropriate.

Financial Planning and Consulting Services

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation.

Either party may terminate a planning or consulting agreement at anytime by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) days of signing the Advisor's financial planning or consulting agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro-rata basis.

E. Compensation for Sales of Securities

Perennial does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

Perennial does not charge performance-based fees for its investment advisory services. The fees charged by Perennial are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Perennial does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

Perennial offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses and institutions in New York and other states. The relative percentage of each type of Client is available on Perennial's Form ADV Part 1. These percentages will change over time. Perennial generally requires a minimum account size of \$1,000,000 effectively implement its investment process. Perennial may reduce this requirement at its sole discretion.

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

A. Methods of Analysis

Perennial primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Perennial is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, Perennial generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Perennial will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Perennial may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Perennial will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included in Item 13.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Perennial may use margin in Client accounts to manage the timing of purchases and sales, as appropriate. Perennial may employ options strategies to hedge or gain additional exposure to a particular asset class or sector. Perennial's investment strategy encompasses active trading in concentrated portfolios. Following are some of the risks associated with Options, Margin and Short-Sale transactions:

Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

Short Sales

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

Frequent Trading

Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at 917-331-8489.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Perennial or any of its employees. Perennial and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **168859** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Perennial and Mr. Strasser is to provide investment advisory services to its Clients. Neither Perennial nor its advisory personnel are involved in other business endeavors. Perennial does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

A. Code of Ethics

Perennial has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Perennial. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Perennial and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Perennial associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. Perennial has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at 917-331-8489.

B. Personal Trading with Material Interest

Perennial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Perennial does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Perennial does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Perennial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of

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material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

D. Personal Trading at Same Time as Client

While Perennial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, these trades do not occur at the same time. Perennial will place trades only after Client orders have been placed and filled.

At no time, will Perennial or any associated person of Perennial, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Perennial does not have discretionary authority to select the broker-dealer / custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize Perennial to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, Perennial does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Perennial does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Perennial.

Perennial may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. Perennial does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Following are additional details regarding the brokerage practices of the Advisor:

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **Perennial does not participate in soft dollar programs sponsored or offered by any broker-dealer.**
- 2. Brokerage Referrals** - Perennial does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
- 3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Perennial will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, Perennial will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Perennial will execute its transactions through an unaffiliated broker-dealer selected by the Client. Perennial may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

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Item 13 – Review of Accounts

A. Frequency of Reviews

Accounts are monitored on a regular and continuous basis by one of the Managing Members of Perennial. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Perennial if changes occur in her personal financial situation that might adversely affect her investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by Perennial

Perennial is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Perennial does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Perennial may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Perennial may receive referrals of new Clients from a third-party.

B. Client Referrals from Solicitors

Perennial does not engage paid solicitors for Client referrals.

Item 15 – Custody

Perennial does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Perennial to utilize that custodian for the Client's security transactions. Perennial encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

Item 16 – Investment Discretion

Perennial generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Perennial. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Perennial will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

Perennial does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither Perennial, nor its management, has any adverse financial situations that would reasonably impair the ability of Perennial to meet all obligations to its Clients. Neither Perennial, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Perennial is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance.

Form ADV Part 2B – Brochure Supplement

for

**Scott F. Strasser
Managing Member and Chief Compliance Officer**

Effective: August 29, 2013

This Brochure Supplement provides information about the background and qualifications of Scott F. Strasser (CRD# 6242609) in addition to the information contained in the Perennial Advisors, LLC (“Perennial” or the “Advisor” - CRD #168859) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Perennial Disclosure Brochure or this Brochure Supplement, please contact us at 917-331-8489.

Additional information about Mr. Strasser is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Scott F. Strasser is a Managing Member and the Chief Compliance Officer of Perennial. Mr. Strasser, born in 1975, is dedicated to advising Client accounts of Perennial.

Mr. Strasser earned a Bachelor of Arts from Washington University in St. Louis in 1997 and his MBA from Harvard University in 2003.

Additional information regarding Mr. Strasser's employment history is included below.

Employment History:

Managing Member, Perennial Advisors, LLC	08/2013 to Present
President, Strasser Consulting LLC	07/2012 to 10/2013
Managing Director, GB Merchant Partners, LLC	07/2003 to 06/2012

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Mr. Strasser. Mr. Strasser has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Strasser.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and /or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Strasser.*

However, we do encourage you to independently view the background of Mr. Strasser on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Select Investment Adviser Search from the left navigation menu. Then select the option for Investment Adviser Representative and enter **6242609** in the field labeled "Individual CRD Number".

Item 4 – Other Business Activities

Mr. Strasser is dedicated to the investment advisory activities of Perennial's Clients. Mr. Strasser does not have any other business activities.

Item 5 – Additional Compensation

Mr. Strasser is dedicated to the investment advisory activities of Perennial's Clients. Mr. Strasser does not receive any additional forms of compensation.

Item 6 – Supervision

Mr. Strasser serves as a Managing Member and Chief Compliance Officer of Perennial. Mr. Strasser can be reached at 917-331-8489.

Perennial has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of Perennial. Further, Perennial is subject to regulatory oversight by various agencies. These agencies require registration by Perennial and its employees. As a registered entity, Perennial is subject to examinations by regulators, which may be announced or unannounced. Perennial is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Form ADV Part 2B – Brochure Supplement

for

**Christopher J. Heintz
Managing Member**

Effective: August 29, 2013

This Brochure Supplement provides information about the background and qualifications of Christopher J. Heintz (CRD# **10561618**) in addition to the information contained in the Perennial Advisors, LLC (“Perennial” or the “Advisor” - CRD #168859) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Perennial Disclosure Brochure or this Brochure Supplement, please contact us at 917-331-8489.

Additional information about Mr. Strasser is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Perennial Advisors, LLC

170 East 72nd Street, Suite 19D * New York, NY 10021

Phone: 917-331-8489 * Fax: (818) 797-2218

www.perennial.com

Item 2 – Educational Background and Business Experience

Christopher J. Heintz is a Managing Member of Perennial. Mr. Heintz, born in 1971, is dedicated to advising Client accounts of Perennial.

Mr. Heintz earned a Bachelor of Arts from Brown University in 1994 and his MBA from Harvard University in 1998.

Additional information regarding Mr. Heintz employment history is included below.

Employment History:

Managing Member, Perennial Advisors, LLC	08/2013 to Present
Managing Member, Perennial Investors, LLC	01/2003 to 08/2013

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Mr. Heintz. Mr. Heintz has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Heintz.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and /or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Heintz.*

However, we do encourage you to independently view the background of Mr. Heintz on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Select Investment Adviser Search from the left navigation menu. Then select the option for Investment Adviser Representative and enter **10561618** in the field labeled "Individual CRD Number".

Item 4 – Other Business Activities

Mr. Heintz is dedicated to the investment advisory activities of Perennial's Clients. Mr. Heintz does not have any other business activities.

Item 5 – Additional Compensation

Mr. Heintz is dedicated to the investment advisory activities of Perennial's Clients. Mr. Heintz does not receive any additional forms of compensation.

Item 6 – Supervision

Mr. Heintz serves as a Managing Member under the compliance supervision of Scott Strasser, the Chief Compliance Officer of Perennial. Mr. Strasser can be reached at 917-331-8489.

Perennial has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of Perennial. Further, Perennial is subject to regulatory oversight by various agencies. These agencies require registration by Perennial and its employees. As a registered entity, Perennial is subject to examinations by regulators, which may be announced or unannounced. Perennial is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Privacy Policy

Effective: August 29, 2013

Our Commitment to You

Perennial Advisors, LLC ("Perennial" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Perennial (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Perennial does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage, and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Clients' personal information. We require third parties, which assist in providing our services to you, to protect the personal information they receive from us.

How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
Servicing our Clients We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
Marketing Purposes Perennial does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Perennial or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not shared
Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
Information About Former Clients Perennial does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not shared

Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (617) 800-0388 or via email at support@Perennial.com.