

FIRM BROCHURE
(Part 2A of Form ADV)

March 31, 2014

Total Wealth Management, Inc.

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Total Wealth Management, Inc. If you have any questions about the content of this Brochure, please contact us by phone at (619) 704-1500 and/or by email at info@twmadvisor.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Total Wealth Management, Inc. is a registered investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Total Wealth Management, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please see previous page.

ITEM 2 MATERIAL CHANGES

This Brochure dated March 14, 2014 is being revised to reflect the following change(s) from Total Wealth Management, Inc.'s ("TWM's" or the "Firm's") last Brochure dated March 31, 2013:

Item 4 – Advisory Business – updated to reflect the current assets under management of the Firm as well as revenue sharing agreements between TWM and Independent Managers of Private Funds.

Item 10 – Other Financial Industry Activities and Affiliations – updated to reflect that Jacob Cooper no longer provides marketing and business development training and advice to other financial planners and investment firms, nor does he host a talk radio show discussing general tools and strategies aimed at wealth preservation. Further, this section has been updated to reflect TWM's affiliations with underlying investments of the Altus Funds.

Item 15 – Custody – updated to reflect the current status of independent audited financial statements for the Altus Funds.

TWM encourages each client and prospective client to read this brochure in its entirety and to call us with any questions you may have.

Pursuant to rules adopted by the United States Securities and Exchange Commission ("SEC"), TWM will ensure that clients receive, within 120 days of the close of TWM's fiscal year, either a free updated Brochure that includes a summary of material changes or a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how to obtain the Brochure. Additionally, TWM's Brochure is available upon request and may be requested by contacting us by phone at 619-704-1500 and/or by email at info@twmadvisor.com.

For more information about the firm, please visit www.twmadvisor.com.

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ITEM 4 ADVISORY BUSINESS

A. Description of Firm

Total Wealth Management, Inc. (“TWM” or the “Firm”) is a San Diego based investment management firm founded in 2005. TWM provides customized fee-only investment management and supervisory services utilizing a tactical allocation strategy and other strategies aimed at reducing risk and increasing performance. TWM also provides financial planning services as described further below. All assets are managed on a discretionary basis, however, should a Client request, TWM may provide these services on a non-discretionary basis in its sole discretion. Some of the investment instruments TWM advises its clientele on include, among other things, investment company securities (i.e. mutual funds), equities, fixed income securities, third-party money managers and other investments, including private funds.

TWM is registered with the Securities & Exchange Commission (“SEC”) as an investment adviser. TWM’s principal owner is Jacob Cooper, who is also the Firm’s Chief Executive Officer.

B. Types of Advisory Services Offered

1. Investment Management Services

TWM provides customized investment management services on a discretionary basis for client accounts. The advice provided by TWM will typically involve providing a variety of services which includes investment buy/sell recommendations, asset allocation, recommendation of independent advisers, and the selection of mutual funds, exchange traded funds, private investment funds or other alternative investments, and/or individual debt and equity securities for the client’s portfolio in accordance with each client’s investment objectives, guidelines, risk tolerance, and other information provided by the client.

TWM utilizes a tactical allocation strategy that includes, but is not limited to, the use of the following types of securities: exchange listed securities, over-the-counter securities, certificates of deposit, municipal securities, mutual funds, United States government securities, cash, and other types of securities, including private offerings such as hedge funds and limited partnerships. Additionally, dependent on client needs, TWM may provide investment advice relating to variable life and variable annuity products. With respect to these products, the Firm offers such advice exclusively on no-load, no surrender charge products designed specifically for fee-based advisory accounts. No commissions are received with respect to any sales relating to these products. TWM will only receive the usual and customary asset management fee provided for in the client agreement as part of its standard fee schedule. Please refer to Item 5 for additional information on fees and compensation.

TWM also routinely provides investment advice on a certain type of security, usually interests in certain limited partnerships or other privately offered investment vehicles such as hedge funds and/or funds that invest in hedge funds, private equity funds, managed futures funds, real estate funds, venture capital funds, and other private investment partnerships (collectively “Private

Funds”). Additionally, TWM is the owner and managing member of Altus Capital Management, LLC (“ACM”), which is the General Partner for the Altus Capital Opportunity Fund, LP and the Altus Capital Portfolio Series, LP (collectively, the “Altus Funds”).

Depending on the sophistication, risk tolerances, and qualifications of the client, TWM may recommend that certain clients invest a portion of their assets in an Altus Fund or other Private Funds managed by independent investment managers (“Independent Managers”) based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Manager(s) may be set forth in a separate written agreement directly with the Independent Manager(s) selected, in addition to the advisory agreement signed with TWM. TWM shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which TWM shall receive an annual advisory fee, as described more fully below. TWM will retain discretionary authority to hire and fire Independent Managers and to reallocate the client’s assets to other Independent Managers, where such action is deemed to be in the best interest of the client.

The client accounts with each Private Fund are held at the custodian selected by the fund’s Independent Manager and TWM tracks the performance of these securities separately from other securities purchased for client accounts. Clients are provided with private placement memorandums and offering documentation that detail the nature, risks and associated fees of each Private Fund. It is important that each potential qualified investor fully read each Private Fund’s offering materials prior to investing.

Clients could invest in Private Funds or other products offered by the Independent Managers directly, or could place assets directly with certain third party separate account managers (subject in some cases to account minimum requirements) without the services of TWM. In that case, the client would not receive the services provided by TWM which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client’s financial condition and objectives. The fees charged by mutual funds, Private Funds, and Independent Managers may be exclusive of, and in addition to, TWM’s investment advisory fee.

In most instances where the Firm recommends a Private Fund to clients, the Firm has arrangements with Independent Managers whereby TWM or one of its associated persons receives a percentage of the fees charged by such Independent Managers. In these arrangements, should TWM refer a client to an Independent Manager, TWM will receive compensation based on a percentage of the fees charged by such Independent Manager. The percentage received by the Firm, which in most cases is shared with a TWM investment adviser representative, could be up to 50% of the fees charged by the Independent Manager. Any such fees will be paid directly by the Independent Manager to TWM from the Independent Manager’s advisory fee received, and shall not result in any additional fees or charges assessed to the client. Where applicable, the receipt of this fee by TWM will be in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements.

Notably, based on the above arrangement, a conflict of interest arises as the split of investment advisory fees creates a financial incentive to recommend that clients purchase securities from

funds that customarily provide for the Firm to share in the investment management fees or to invest in funds with higher percentage splits of such investment management fees. This conflict is mitigated by the supervision of the Firm's officers who review all security purchases on behalf of clients to ensure the security is within the investment parameters set forth by the client, and by the Firm's Code of Ethics and fiduciary responsibilities to each client.

Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. All such guidelines and restrictions must be communicated to TWM in writing. There may be times when certain restrictions are placed by a client, which prevents TWM from accepting or continuing to manage the account. TWM reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining its investment strategies.

2. Financial Planning Services

TWM provides its clients with a broad range of comprehensive financial planning services (which may include non-investment related matters). TWM's financial planning services generally include, but are not limited to, providing advice regarding asset allocation; risk management; portfolio analysis; and evaluation and review of investment accounts.

TWM's financial planning process involves the collection, organization, and assessment of all relevant client data including information concerning the client's lifestyle, risk tolerance, and cash flow, as well as identification of the client's financial concerns, goals, and objectives. The primary objective of this process is to allow TWM to assist the client in developing a strategy for the successful management of income, assets, and liabilities in order to meet the client's individual financial goals and objectives.

TWM's approach to providing this service starts with gathering information about the clients' current financial position and objectives. The information requested generally includes present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits. TWM will then assess the client's goals, objectives, time horizon, and risk tolerance to compare where clients are today in relation to the attainment of their stated goals. Clients will receive information from TWM about the available alternatives and will have the option of utilizing TWM to implement those plan recommendations. Advice may be given on non-securities matters and any implementation of TWM's recommendations is entirely at the client's discretion. Clients are advised that a potential conflict of interest exists if TWM recommends its own investment management services or if a TWM representative recommends products or services offered in such representative's capacity as a registered representative of a broker-dealer.

There can be no assurance that TWM's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients are free at all times to accept or reject any of TWM's recommendations provided under a financial planning engagement and further retain the authority and discretion over all such implementation

decisions. However, it is likely that through the financial planning process, TWM could advise a client to use TWM for its Investment Management Services. Clients are advised that this poses a potential conflict of interest since TWM and its principals will receive remuneration if/when TWM's Investment Management Services are utilized by the client. Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize TWM to implement those recommendations.

Clients who wish to engage TWM for discretionary investment management services may be required to enter into a separate written agreement with TWM for such services, for which TWM will be paid a separate and additional fee based on assets under management in accordance with the fee schedule set forth under Item 5, below.

C. Information Relating to All TWM Services

1. Gathering Individual Client Information

The investment advice provided by TWM is customizable, with each client's portfolio managed based upon the individual needs, objectives, and other financial goals of the client. At the onset of the client relationship, TWM memorializes each client's investment objectives, risk tolerance, investment guidelines and restrictions, time horizons, tax considerations and other important and necessary information. The information provided will be used by TWM to determine the appropriate portfolio asset allocation and investment strategy or to formulate a customized financial plan (as applicable) for each client.

TWM will not assume any responsibility for the accuracy of the information provided by the client. TWM is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying TWM in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies TWM of changes in the client's financial circumstances, TWM will review such changes and recommend any necessary revisions to the client's portfolio.

TWM will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer, unless otherwise negotiated.

2. Advisory Agreements

Prior to engaging TWM to provide investment advisory services, the client will be required to enter into one or more written agreements with TWM setting forth the terms and conditions under which TWM shall render its services (collectively the "Agreement").

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), TWM will provide a brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an investment

advisory agreement. The Agreement between TWM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. TWM's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Neither TWM nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of TWM shall not be considered an assignment.

D. Assets Under Management

As of December 31, 2013, the following represents the approximate amount of client assets under management by TWM on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$102,879,466
Non-Discretionary	\$0
Total:	\$102,879,466

ITEM 5 FEES AND COMPENSATION

TWM charges fees based on a percentage of assets under management as well as hourly charges and fixed fees, depending on the particular types of advisory services to be provided. The specific fees charged by TWM for its advisory services will be set forth in each client's written agreement with TWM. Although TWM believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

A. Description of Fees; Fee Schedule

1. Investment Management Fees

TWM generally charges a quarterly management fee, payable in arrears, based on the client's assets under management (AUM) as of the close of business on the last business day of the each calendar quarter. Management fees are calculated and paid quarterly in arrears based on the following fee schedule:

Assets Under Management	Management Fee
\$250,000-\$999,999	1.40 %
\$1,000,000-\$1,999,999	1.25 %
Over \$2,000,000	1.00 %

These fees may be negotiated by TWM under certain circumstances, and at the sole discretion of TWM. Management fees will be automatically deducted from the client's account on a quarterly basis by the custodian.

Should a client open an account during the quarter, management fees will be prorated for assets held for a partial quarter based on the number of days that the account was open during the quarter. In the event that TWM's services are terminated mid-quarter, the annual fee shall be prorated through the date of termination and any earned, unpaid balance will be immediately due and payable by client.

As discussed in greater detail under Item 10 below, TWM is the owner and managing member of ACM, which is the General Partner for the Altus Funds.. ACM charges investors in the Altus Funds a maximum annual fee equivalent to 1.4% of the value of their investment in the Altus Funds. If a TWM client makes an investment in an Altus Fund, such client would not be charged an advisory fee by TWM in addition to the management fee. All investors should carefully read the Private Placement Memorandum for each Altus Fund prior to investing.

2. Financial Planning Fees

If TWM is contracted to provide a financial plan, clients will pay a flat fee of \$500.00 before TWM begins work on the plan. If a client requests that TWM provide additional financial planning services (including but not limited to: investment advisory services, strategic recommendations, consultant services, etc.), TWM charges an hourly fee of \$150 per hour. The fixed fee and the hourly rate may be negotiated or waived in the sole discretion of TWM.

B. Other Fees and Expenses

Clients should understand that the advisory fees described in the sections above do not include certain charges imposed by third parties such as custodial fees, mutual fund fees and expenses, fees charged by third party investment managers, and Private Fund management fees. Client assets also are subject to transaction costs, retirement plan administration fees (if applicable), deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

In addition, all fees paid to TWM for investment advisory services are separate and distinct from the expenses charged by the Independent Managers offering limited partnership interests. Fees from fund managers typically include management fees, performance fees, transaction, administrative custodial costs and other fees as disclosed in each Private Fund's offering documents. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by TWM to fully understand the total fees to be paid. For example, some Private Funds will impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures could create an incentive for the managers of the Private Funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the Private Funds to devote a disproportionate amount of time to the management of the Private Funds, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds to their shareholders, which shall be described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial, or deferred sales or surrender charge.

These fees and expenses are separate from and in addition to the fees charged by TWM. Accordingly, the client should review the fees charged by any Independent Managers, mutual funds and Private Funds in which the client's assets are invested, together with the fees charged by TWM, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additionally, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by TWM. TWM does not share in any of these fees but may elect at its option, to bear the cost of certain transactions under certain circumstances. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of TWM.

C. Important Considerations

1. Compensation for Sales of Securities or Other Investment Products

Neither TWM nor any of its advisory personnel receive sales or transaction-based commissions for the sale of securities or other investment products purchased for a client's account. However, as mentioned in Item 4.B above, in most instances, the Firm has revenue sharing arrangements with certain Independent Managers of Private Funds whereby TWM or one of its associated persons receives a percentage of the fees charged by such Independent Managers for clients referred to that Investment Manager.

2. Conflicts of Interest

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. To the extent that a TWM representative recommends an Independent Manager or Private Fund where the representative receives compensation for doing so, a conflict of interest exists because the representative may have an incentive to make recommendations based on the compensation received rather than on a client's needs.

TWM has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of TWM's fiduciary duty to clients, TWM and its representatives will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an

advisory agreement in writing through issuance of this Brochure, a Private Placement Memorandum, or the terms of the Advisory Agreement.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

TWM does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, TWM does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, TWM provides investment management services for a fixed fee, hourly charges and/or based upon a percentage of assets under management, in accordance with SEC Rule 205(a)(1). Notably, accounts that are managed in the same style (*e.g.*, moderately aggressive) may not be managed the same way due to the client's overall investment objectives and guidelines, account restrictions, asset size, and discretion of the investment professional assigned to the account.

ITEM 7 TYPES OF CLIENTS

A. Description

TWM provides investment management and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Additionally, as discussed in Item 4 above, TWM provides investment management services to the Altus Funds, which are private investment funds organized as limited partnerships for which an affiliate of TWM serves as General Partner. TWM provides investment management services to the Altus Funds based on the specific investment objectives outlined in each Funds' Private Placement Memorandum, rather than on the individual needs and objectives of the individual investors in the Altus Funds.

TWM's disclosure of the Altus Funds above and elsewhere in this Brochure are not intended to be solicitations for or advertisements of the Altus Funds. Instead, such disclosures have been made to provide all TWM clients with important information about the risks implicit of these types of activities as they relate to both investors in the Altus Funds and TWM clients in general.

B. Conditions for Managing Accounts

The minimum initial investment to open an account with TWM is \$250,000. TWM may waive or accept a smaller account at its sole discretion. Additionally, TWM reserves the right to accept or decline a potential client for any reason in its sole discretion. Prior to engaging TWM to provide any of the investment advisory services described in this Brochure, the client will be required to enter into one or more written agreements with TWM setting forth the terms and conditions under which TWM shall render its services. Each Private Fund has a minimum for initial and subsequent investments, which is fully described in each Fund's Offering Memorandum.

There may be times when certain restrictions are placed by a Client, which prevents TWM from accepting or continuing to manage the account. TWM reserves the right to not accept and/or

terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining its investment strategies.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis

Generally, TWM uses a variety of analytical information to assist with its security analysis. Such information may include charting, fundamental and technical analysis, and from time to time cyclical analysis. The primary sources of information used by TWM include market news reports, financial publications, corporate rating services, outside research reports, annual reports, prospectuses, private placement memorandums, offering circulars, SEC filings, and company press releases. TWM measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance.

TWM may invest its clients' assets with third-party managers that pursue investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and securities. In selecting Independent Managers and allocating assets among them, TWM considers both quantitative and qualitative factors including, but not limited to, an Independent Manager's performance during various time periods and market cycles; an Independent Manager's reputation, experience and training; its articulation of, and adherence to, its investment philosophy; the presence and deemed effectiveness of an Independent Manager's risk management discipline; the structure of an Independent Manager's portfolio and the types of securities or other instruments held; its fee structure; on-site interviews of an Independent Manager's personnel; the quality and stability of an Independent Manager's organization, including internal and external professional staff; and whether an Independent Manager has a substantial personal investment in the investment program it pursues.

B. Investment Strategies

TWM provides customized investment management services on a discretionary basis for client accounts utilizing a tactical allocation strategy that includes, but is not limited to, the use of following types of securities: exchange listed securities, over-the-counter securities, certificates of deposit, municipal securities, mutual funds, United States government securities, cash, and other types of securities, including private offerings such as hedge funds and limited partnerships. The investment strategies TWM may pursue on behalf of clients may include long- and short-term purchases, trading, short sales, trading on margin, and option writing including covered options, uncovered options or spreading strategies. TWM may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. TWM may recommend specific stocks to increase sector weighting and/or dividend potential, or may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. Additionally, TWM 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 the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

As noted above, TWM may invest its clients' assets with third party investment managers that pursue investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and securities. When selecting an Independent Manager for a client, TWM reviews information about the manager such as its disclosure brochure and/or other material supplied by the manager or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available.

The Private Funds in which TWM clients may invest may pursue different investment processes and strategies than TWM, which may be considered riskier. The processes and strategies for the Private Funds are disclosed in each Private Fund's offering documents and may include leverage, short sales, uncovered options, futures, and forward foreign exchange contracts. Such strategies carry a risk of unlimited losses.

C. Risk of Loss

1. Generally

Investing in securities involves a significant risk of loss that clients should be prepared to bear. TWM's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the Client's account, which Clients should be prepared to bear. There can be no assurance that the Client's investment objectives will be obtained and no inference to the contrary should be made. In addition, there is no assurance that a mutual fund, ETF or Private Fund purchased for the client's account will achieve its investment objective. Past performance of investments is no guarantee of future results.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at anytime be worth more or less than the amount invested.

The market value of stocks will generally fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. Stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies. Stocks tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Past performance of investments is no guarantee of future results.

The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value at maturity. Interest rates for bonds may be fixed at the time of issuance, and payment of principal and interest may be guaranteed by the issuer and, in the case of U.S. Treasury obligations, backed by the full faith and credit of the U.S.

Treasury. The market value of Treasury bonds will generally fluctuate more than Treasury bills, since Treasury bonds have longer maturities.

Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets.

TWM typically invests for the long-term and does not engage in high frequency trading. Nevertheless, the Independent Managers and Private Funds selected by TWM may employ such strategies, and as a result, such frequent trading may result in increased brokerage and other transaction costs.

2. Risks Involved in Particular Types of Securities Recommended by TWM

Although the investment advice provided by TWM is not limited any to specific type of investment, the Firm routinely provides investment advice on a certain type of security, usually interests in limited partnerships or other types of unregistered investment vehicles. These may include, without limitation, hedge funds, real estate funds, managed futures funds, private equity funds, venture capital funds, and other types of private investment vehicles (collectively "Private Funds"). As noted above, TWM provides investment management services to the Altus Funds, and may recommend that TWM clients invest in one or more Private Funds, including the Altus Funds. The Altus Funds and other Private Funds recommended by TWM may invest in various types of instruments, including but not limited to equities, debt securities, commodities, futures contracts, and other private investment funds.

Depending on the sophistication and risk tolerances of its clients, TWM may recommend, as part of a client's overall investment strategy, that a portion of such client's assets be invested in one or more Private Funds or other alternative investments. Such investments may present special risks for TWM's clients, including without limitation, limited liquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations and limited regulatory oversight. Therefore, private placements may not be suitable for all TWM clients and will be offered only to those qualifying clients for whom an investment therein is determined to be suitable. Generally, such investments are available for investment only to a limited number of sophisticated investors who generally meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). Clients are provided with private placement memorandums and other offering and subscription documentation that detail the nature, risks and associated fees of each Private Fund. It is important that each potential qualified investor fully read each offering or private placement memorandum prior to investing.

Private Funds often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures may create an incentive for the managers of the Private Funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the Private Funds to devote a disproportionate amount of time

to the management of the Private Funds, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

Some of these Private Funds may also employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Other Private Funds may employ other alternative techniques which carry inherent higher degrees of risks.

TWM may recommend investments in Private Funds (including the Altus Funds) that are considered “funds of funds” which is a term used to describe private investment funds that pursue their investment objective by investing in other underlying funds. The investments and strategies for the underlying portfolio funds may include leverage, short sales, uncovered options, futures, derivative instruments, forward and swap foreign exchange contracts, non-U.S. securities, “junk” bonds, and illiquid investments. Such funds carry high costs, substantial risks, such as the risks inherent in an investment in securities, as well as specific risks associated with each particular underlying fund’s investment strategy.

ITEM 9 DISCIPLINARY INFORMATION

Registered investment advisers such as TWM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of TWM or the integrity of its management. TWM does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Other Financial Industry Activities

Certain representatives of TWM are, in their individual capacities, licensed as insurance agents with various insurance companies or are registered representatives of broker-dealers. In this capacity, and pursuant to client instruction, these individuals may recommend that clients purchase various insurance products or securities and may receive separate and typical commissions or fees for doing so. A conflict of interest exists to the extent that a TWM representative recommends the purchase of insurance products or securities where the representative receives commissions or other additional compensation. The Firm’s financial plans may include recommendations for clients to purchase various insurance products or securities which may be purchased from TWM or its associated persons. TWM makes no assurance that the products are offered at the lowest available cost. Clients are under no obligation to implement recommended transactions through any particular insurance company or broker-dealer, and are not obligated to purchase any such products or services from TWM or its associated persons.

Additionally, as further described below, effective as of February 26, 2014, ACM serves as a member, and one of two managers, of Aegis Holding Company, LLC (“AHC”) and Atlantic Hospitality Holdings, LLC (“AHH”). AHH in turn is the holding company to Aegis Atlantic, LLC (“AA”) (collectively with AHC and AHH the “Aegis Funds”) to which ACM is also a member. Jacob Cooper serves as the “Primary Representative” for ACM to AHC, AHH and AA. In this capacity, Mr. Cooper participates in the day-to-day management of these companies which could result in Mr. Cooper devoting a substantial amount of his time (*i.e.*, more than 10%) in performing such activities. Specifically, as the Primary Representative of ACM, Mr. Cooper will be involved in such matters as, but not limited to: (i) electing Managers (for which Mr. Cooper may elect himself and/or ACM), (ii) approving or ratifying loans (including loans made by members or managers themselves), (iii) determining whether or not optional distributions of cash and/or property should be distributed to the members, and (iv) helping to ensure that accounting reports are periodically generated.

ACM’s role and Mr. Cooper’s participation with the Aegis Funds create conflicts of interest. First, the obligations and time spent by ACM and Mr. Cooper in this role directly competes with those obligations to the Firm. Additionally, since the Altus Funds invest in the Aegis Funds, ACM has a direct interest in the securities being recommended to clients of the Firm. These conflicts are mitigated in that neither ACM nor Mr. Cooper receive any economic benefit for their roles as a member/manager, or for any efforts spent in performing the duties required of a member/manager of AHC, AHH and AA. In fact, pursuant to the terms of the Operating Agreement for each respective company, ACM is defined as having no economic interest (defined as a person’s right to share in the income, gains, losses, deductions, credit or similar, and to receive distributions). Further, Jacob Cooper in his role as the Primary Representative of ACM receives no salary or other compensation for the time and services spent on these companies. These conflicts are further mitigated by TWM’s Code of Ethics which states that the client’s interests must always come first, and internal policies dictating Mr. Cooper’s time commitments to the Aegis Funds are sufficiently limited to ensure that client interests are not impaired.

For more information on these conflicts and the steps taken to mitigate such conflicts, please see section B below.

B. Affiliations

TWM is the owner and managing member of ACM, which serves as general partner to the Altus Funds, which are privately offered investment funds in which clients of TWM are solicited to invest. The Altus Funds are each structured as Delaware limited partnerships and were formed for the purpose of investing in various actively managed private investment funds that pursue a wide range of investment activities. Please see Item 8.C above for important information about the risks involved with the various investment strategies which may be pursued by TWM and the Altus Funds.

As previously mentioned, not only is ACM a manager and member of the Aegis Funds, but the Aegis Funds serves as one of the underlying investments within the Altus Funds. As such, the

Altus Funds have a direct interest in the performance and operations of the Aegis Funds. In an effort to allow the Aegis Funds to meet certain outstanding obligations, it is expected that a debt restructuring shall occur which may include one or more of the following courses: (i) a lengthening of the notes, (ii) a reduction (perhaps even retroactively) of the interest rates on the notes, (iii) a reduction in the principal owed of the notes, and/or (iv) conversion of the notes to equity. Clients of TWM who have invested in these Funds should be aware that such measures may impact their current holdings, and that additional capital from investors also will be needed. Such actions may or may not be in the best interest of all clients invested in the Aegis Funds. The actions taken by the Aegis Funds are meant to preserve and add value for investors to the greatest extent possible. However, there is no guarantee of a positive outcome, and substantial risks remain for all investors of the Aegis Funds. Additionally, please note that the Aegis Funds have not received audits performed by independent public accounts during the past two years (2011 and 2012). The Aegis Funds currently are undergoing such audits, which are expected to conclude within the second quarter of 2014. As soon as the audited financial statements become available, the Altus Funds will be able to complete its audited financial statements, which then will be distributed to all Altus Fund investors. Moreover, it is expected that the Aegis Funds will commence their annual audit for the fiscal year ending December 31, 2013 immediately following the completion of the 2011 and 2012 audits.

ACM's affiliation with the Aegis Funds creates a conflict of interest in that TWM is recommending clients invest in private funds for which ACM is a member and manager involved in the day-to-day management and business activities. In order to mitigate such conflicts, neither ACM nor TWM (and any of their officers or employees) will receive any economic interest or other form of compensation from the Aegis Funds – either in the capacity as a member or manager - for services rendered to the Aegis Funds. Further, while there is no guarantee of a positive outcome, ACM and TWM will continually monitor the Aegis Funds, including associated risks, and periodically reassess whether their inclusion in the Altus Funds remain in the best interest of clients. No guarantee can be made that continued investment in the Aegis Funds will be in the best interest of all clients; and such investment involves risk of loss to the investor's current, and future, investment capital.

C. Recommendations of Independent Managers and Related Conflicts

As described in more detail under Item 4 above, TWM may recommend the services of certain Independent Managers as part of its overall asset allocation for certain client accounts. In these arrangements, should TWM refer a client to certain Independent Managers of Private Funds, TWM will receive compensation based on a percentage of the fees charged by such Independent Manager. The percentage received by the Firm in most cases will be shared with a TWM investment adviser representative. If the revenue sharing fee is based on a percentage of the fees charged by such Independent Manager, the receipt of this fee by TWM will be in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations or requirements. Any such fee will be paid solely from the Independent Manager's investment management fee and will not result in any additional charge to the client.

However, a conflict of interest arises as the sharing of fees creates a financial incentive to recommend that clients invest with third party managers that customarily provide for TWM to share in the investment advisory fees or to invest in funds with higher percentage splits of fees to TWM representatives. This conflict is managed by the supervision of all security purchases and investment recommendations on behalf of clients by senior personnel to ensure the recommendation is within the parameters set for the portfolio and by TWM's Code of Ethics and fiduciary responsibility to each client.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

TWM has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code establishes standards of conduct for TWM's supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by TWM or any of its associated persons. The Code also requires that certain of TWM's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code, none of TWM's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of TWM's clients.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm's Chief Compliance Officer ("CCO"). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year. TWM will provide a copy of its Code of Ethics to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

It is TWM's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Based upon a client's stated investment objectives, TWM may, under certain circumstances, recommend the purchase or sale of securities in which TWM or its affiliates have an interest. As

mentioned in Item 10.B above, TWM is the owner and managing member of ACM. ACM receives a management fee from the investors in the Altus Funds based on a percentage of the assets of the fund. Additionally, the Altus Funds may hold positions in securities that TWM also recommends to advisory clients. As such, there exist potential conflicts of interests between the interests of such persons and those of TWM clients. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, as part of TWM's fiduciary duty to clients, TWM and its associated persons will endeavor at all times to put the interests of the clients first, and at all times are required to adhere to the Firm's Code of Ethics.

In addition to recommending an investment in the Altus Funds, TWM may also recommend investments with investment managers with whom TWM has established a fee-sharing relationship. As a result of such a relationship, TWM may receive a portion of the management fee charged by such Independent Managers in connection with the investment made by the referred client. Such fee is payable out of the fees earned by such investment manager and will not result in additional charge to the client. Nevertheless, this may produce a potential conflict of interest by reason of the fact that the receipt of such compensation may create an incentive to recommend certain investment managers based on the amount of the fee that is to be received by TWM.

C. Personal Trading

TWM and its officers, directors, agents, and employees ("Associated Persons") may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. In addition, certain of TWM's Associated Persons have invested in and intend to continue to invest in one or more of the Private Funds. TWM understands that this could create a conflict of interest, where the employee's interest may be at odds with the interest of TWM's clients.

TWM's Code of Ethics contains certain requirements designed to address the conflicts that arise with regard to personal trading by TWM or its Associated Persons. For example, when TWM is purchasing or considering for purchase any security on behalf of a client, no Associated Person may knowingly effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when TWM is selling or considering the sale of any security on behalf of a client, no Associated Person may knowingly effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

TWM and its Associated Persons may also buy or sell specific securities for their own accounts based on personal investment considerations, which TWM does not deem appropriate to buy or sell for clients.

ITEM 12 BROKERAGE PRACTICES

Except in limited situations where TWM permits clients to direct brokerage (as described below), TWM will determine the broker-dealer to be used and the commission rates at which transactions for client accounts will be effected. When TWM places orders for the execution of portfolio transactions for client accounts, transactions are allocated to brokers and dealers for execution in various markets at prices and commission rates that, based upon good faith judgment, will be in the best interest of the client. In addition to using brokers as “agents” and paying commissions, TWM may effect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

In situations where TWM places client assets with an Independent Manager to provide discretionary investment management services, the Independent Manager will typically determine the broker-dealer to be used and TWM may have little or no control over the selection of the broker used or the commissions paid to affect trades for the client's account. Additionally, the Private Funds in which TWM clients are solicited to invest typically have a prime brokerage arrangement with a registered broker-dealer (the “Prime Broker”). Under this arrangement, the Prime Broker, among other things, (i) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; and (v) provides detailed portfolio and related reports.

The following discussion summarizes the material aspects of TWM’s practices for the selection of broker-dealers to execute client transactions.

A. Selection Criteria

TWM generally affects all transactions for client accounts through the broker-dealer custodian. TWM periodically evaluates the commissions charged and the service provided by the custodian and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians.

Other factors the Adviser may consider when evaluating its choice of custodian include:

- Ability to trade mutual funds and other investments that the Adviser determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Excellent customer service;
- Interaction simplicity with the Adviser;
- Discount transaction rates; and
- Reliability and financial stability.

For those clients who select broker-dealers not recommended by TWM, clients should be aware that TWM may not be able to negotiate specific brokerage commission rates with the broker on the client's behalf, or seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and that TWM will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution.

B. Best Execution

Except as otherwise provided in the client's investment advisory agreement, TWM has full discretion to place buy and sell orders with or through such brokers or dealers as it may deem appropriate. It is the policy and practice of TWM to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, TWM will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution.

Although TWM will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and TWM does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while TWM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. TWM is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission rate.

To ensure that brokerage firms recommended by TWM are conducting overall best qualitative execution, TWM will periodically (and no less often than annually) evaluate the trading process and brokers utilized. TWM's evaluation will consider the full range of brokerage services offered by the brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

1. Research and Other Soft Dollar Benefits

TWM may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such broker-dealer (which may include disclosed markups and markdowns on riskless principal transactions with market-makers if TWM were to conduct such transactions) may be higher than what another, equally capable broker-dealer might charge. Although TWM currently has no soft

dollar arrangements in place, the following discussion is intended to provide clients with certain important information regarding such practices, including the potential conflicts of interest that may arise should TWM enter into any soft dollar arrangements.

The receipt of such services may benefit TWM, because TWM does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on TWM's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. Additionally, TWM may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between TWM and its clients generally authorize TWM to use client soft dollars for a wide range of purposes. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

TWM's general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to TWM in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for TWM's clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research and brokerage products and services which assist TWM in its investment decision-making process. TWM may cause clients to pay commissions that are higher than those that another qualified broker-dealer might charge to effect the same transaction where TWM determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Research and other products and services purchased with soft dollars will generally be used to service all of TWM's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars may include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders.

Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by TWM under such soft dollar arrangements may include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

There may be cases when TWM may receive both non-research (e.g. administrative or accounting services etc.) and research benefits from the services provided by broker-dealers. If and when this happens, TWM will make a good faith allocation between the non-research and research portion of the services received, and will pay “hard dollars” (*i.e.*, TWM will pay from their own monies) for the non-research portion. In making a good faith allocation between research services and non-research services, a conflict of interest may exist by reason of TWM’s allocation of the costs of such services and benefits between those that primarily benefit TWM and those that primarily benefit clients. TWM strives to always put the client’s interests first.

2. Directed Brokerage

Generally, TWM has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. In limited situations TWM may accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In the event that a client directs TWM to use a particular broker or dealer, the client will negotiate terms and arrangements for the account with that broker-dealer, and TWM will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by TWM (as described below). Additionally, in directed brokerage situations, TWM will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, TWM may decline a client’s request to direct brokerage if, in TWM’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

C. Trade Aggregation and Allocation

Transactions for each client will be effected independently, unless TWM decides to purchase or sell the same securities for several clients at approximately the same time. TWM performs investment management services for various clients, some of which may have similar investment objectives. TWM may aggregate sale and purchase orders with other client accounts that have similar orders being made contemporaneously, if in TWM’s judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits may include better transaction prices and lower trade execution costs. TWM may (but is not

obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among TWM’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among TWM’s clients pro rata to the purchase and sale orders placed for each client on any given day. If such orders cannot be fully executed under prevailing market conditions, TWM may allocate the securities traded among clients and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security.

ITEM 13 REVIEW OF ACCOUNTS

A. Periodic Reviews

While accounts are monitored on an ongoing basis, TWM’s President, Chief Executive Officer, and Chief Operations Officer undertake quarterly reviews of a portion of client accounts. The frequency of review for each client account is at the discretion of the Firm’s principals, but all client accounts are reviewed in their entirety not less than annually. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made. Asset Allocation Accounts are re-balanced and re-optimized when deemed necessary by the Firm or the by third-party money manager for those participating in the Asset Management Program. Re-balancing is accomplished by reallocating assets to original asset targets and re-optimizing involves setting new target asset category percentages. Financial plans are reviewed only upon request unless TWM is retained to update the plan on a continuous basis.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder’s personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify TWM and its advisory representatives of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived. In addition to the regular statements clients receive from their custodian, TWM may send clients written reports on a monthly or quarterly basis depending upon the reporting frequency of the underlying investment funds held in each client’s account. These reports may include relevant account and/or market-related information as well as an inventory of account holdings and account performance, as may

be agreed to with the client. Clients are urged to compare the statements received from TWM to those received from the account custodian. In addition, clients may receive other supporting reports from mutual funds, third party investment managers, trust companies, broker-dealers or insurance companies based on their involvement with the account and their applicable internal reporting requirements.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

As discussed under Item 12, TWM has not but may in the future enter into “soft dollar” arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist TWM in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by TWM, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client’s interest in receiving most favorable execution.

B. Compensation for Client Referrals

TWM may, from time to time, enter into agreements with individuals and organizations, some of whom may be affiliated or unaffiliated with TWM, that refer clients to TWM. All such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a client is introduced to TWM by a solicitor, TWM may pay that solicitor a fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Under such an arrangement, TWM has full discretionary authority over the account and directs the selection of an independent custodian and the placement of all brokerage transactions. While the specific terms of each agreement may differ, generally, the compensation will be based upon TWM’s engagement of new clients and the retention of those clients and is calculated using a varying percentage of the fees paid to TWM by such clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from TWM’s investment management fee, and shall not result in any additional charge to the client.

Each prospective client who is referred to TWM under such an arrangement will receive a copy of TWM’s firm brochure and a separate written disclosure document disclosing the nature of the relationship between the third party solicitor and TWM and the amount of compensation that will be paid by TWM to the third party. The solicitor is required to obtain the client’s signature acknowledging receipt of TWM’s disclosure brochure and the solicitor’s written disclosure statement.

C. Other Compensation

As stated at Item 4 above, in most instances where the Firm recommends a Private Fund to clients, the Firm has arrangements with Independent Managers whereby TWM or one of its

associated persons receives a percentage of the fees charged by such Independent Managers. In these arrangements, should TWM refer a client to an Independent Manager, TWM will receive compensation based on a percentage of the fees charged by such Independent Manager. The percentage received by the Firm, which in most cases is shared with a TWM investment adviser representative, could be up to 50% of the fees charged by the Independent Manager. Any such fees will be paid directly by the Independent Manager to TWM from the Independent Manager's advisory fee received, and shall not result in any additional fees or charges assessed to the client. Where applicable, the receipt of this fee by TWM will be in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements.

Notably, based on the above arrangement, a conflict of interest arises as the split of investment advisory fees creates a financial incentive to recommend that clients purchase securities from funds that customarily provide for the Firm to share in the investment management fees or to invest in funds with higher percentage splits of such investment management fees. This conflict is mitigated by the supervision of the Firm's officers who review all security purchases on behalf of clients to ensure the security is within the investment parameters set forth by the client, and by the Firm's Code of Ethics and fiduciary responsibilities to each client.

ITEM 15 CUSTODY

Under Rule 206(4)-2 (the "Custody Rule"), TWM will be deemed to have custody of client funds or securities by reason of the fact that TWM has authority to debit its fees directly from the client's account. TWM may also be deemed to have custody of client assets based solely on the fact that it has a related person that serves as a general partner to a limited partnership.

Custody of account assets will be maintained with an independent qualified custodian, except for certain privately offered securities (such as interests in a limited partnership or other pooled investment vehicle subject to annual audit), in which case ownership thereof is recorded only on the books of the issuer. In the case of assets invested with an Independent Manager, the designated Independent Manager may select the custodian. In addition, in most cases, a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should thoroughly consider, however, the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by TWM. TWM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please refer to Item 12 for additional important disclosure information relating to TWM's practices and relationships with custodians.

Under the Custody Rule, advisers with custody are generally required to undergo an independent verification of the assets for which the adviser has custody through an annual surprise examination by an independent certified public accountant. Advisers deemed to have custody

solely as a consequence of the authority to debit fees directly from client accounts are not required to obtain an independent verification of those client funds and securities maintained by a qualified custodian.

Additionally, due to its role as General Partner of the Altus Funds, TWM (through ACM) may be deemed to have custody of the Fund's assets. TWM is required to comply with the independent verification requirement with respect to the Altus Funds, which subjects the Funds to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules. Additionally, each Fund's audited financial statements must be prepared in accordance with generally accepted accounting principles and distributed to all limited partners upon completion of such statements.

As stated in Item 10 above, the Aegis Funds, one of the underlying investments of the Altus Funds, have not received audits performed by independent public accounts during the past two years (2011 and 2012). The Aegis Funds currently are undergoing such audits, which are expected to conclude within the second quarter of 2014. As soon as the audited financial statements become available, the Altus Funds will be able to complete its audited financial statements, which then will be distributed to all Altus Fund investors. Moreover, it is expected that the Aegis Funds will commence their annual audit for the fiscal year ending December 31, 2013 immediately following the completion of the 2011 and 2012 audits.

The Altus Funds are also subject to audit upon liquidation and the audited financial statements are distributed to all limited partners promptly after the completion of such audit.

ITEM 16 INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

Typically, all assets are managed on a discretionary basis, however, should a client request, TWM may provide these services on a non-discretionary basis. TWM will be considered to exercise investment discretion over a client's account if it has the authority to effect transactions for the client without first having to seek the client's permission. In exercising its discretionary authority, TWM has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined with those of other clients and traded as a "block." TWM also has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, TWM's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on TWM's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to TWM in writing.

B. Limited Power of Attorney

Unless clients specifically request in writing that TWM manage all or part of their account on a non-discretionary basis, by signing TWM's advisory agreement, clients authorize TWM to exercise full discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, TWM is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes TWM to give instructions to third parties in furtherance of such authority.

ITEM 17 VOTING CLIENT SECURITIES

It is TWM's policy and practice not to vote proxies on behalf of its clients and therefore, TWM will not vote, nor advise clients how to vote proxies for securities held in client accounts. Clients retain the responsibility for receiving and voting all proxies for securities held within the client's account. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts.

TWM typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

ITEM 18 FINANCIAL INFORMATION

TWM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. TWM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.