



Form ADV Firm Brochure

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HighTowers Advisors, LLC is an SEC-registered investment adviser. Registration as a registered investment adviser does not imply that a certain level or skill or training has been obtained. This brochure provides information about the qualifications and business practices of HighTower Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 312-962-3800 and/or compliance@hightoweradvisors.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. Additional information about HighTower Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2 - MATERIAL CHANGES

This “Summary of Material Changes” describes material changes made to the last annual updated filing of HighTower’s Brochure.

HighTower has an advisory team, HighTower Bellevue, which is currently dually registered. HighTower Bellevue is currently registered as additionally as Triad Wealth Stewardship as they transition their business from Triad to HighTower.

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ITEM 4 - ADVISORY BUSINESS

A. Description of HighTower

HighTower Advisors, LLC, a Delaware limited liability company ("HighTower" or "we" or the "firm"), is an investment adviser registered with the United States Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (the "Advisers Act"). Please note that registration with the SEC does not imply a certain level of skill or training. HighTower is a wholly-owned subsidiary of HighTower Holding, LLC, a private company. This section describes our firm, and explains the types of advisory services that we offer, including investment consulting, discretionary advisory, pre-retirement and financial planning services (together the "advisory services").

HighTower was established in September 2008, and provides investment advisory services to institutions (including ERISA and other retirement accounts and certain pension and/or Taft-Hartley plans), and ultra-high net worth individuals. Item 7 of this brochure contains more information regarding the types of clients to which we provide advisory services. We provide these advisory services through numerous investment teams, each of which have their own advisory focus and strategies, driven primarily by the types of clients they service. The investment teams that comprise HighTower are set out on Exhibit 1 below, with their respective areas of advisory focus.

B. Advisory services offered by HighTower

Investment Consulting/Wealth Management Services

One of the ways in which HighTower furnishes investment advice is through Investment Consulting or Wealth Management. Investment Consulting begins with the obtaining of financial and other pertinent information from the Client in order to identify the financial objectives of our Client, and goals for the engagement. The investment advisory representative (an "Advisor") will use information provided by the Client to identify an appropriate strategy. The Advisor will then provide investment recommendations to the Client, either in terms of the asset class, or specific type of security, based upon the identified strategy. The Advisor will otherwise consult with and advise the Client regarding its investments, and will provide ancillary services that are of limited scope. Investment consulting Clients do not grant HighTower any investment discretion or trading authority. Investment Consulting is obtained either through a Non-Discretionary Advisory Agreement, or Consulting Agreement. The Non-Discretionary Client Advisory Agreement is used for when a Client places assets with one of HighTower's custodians. The Consulting and Limited Advisory Agreement is for assets maintained outside of HighTower's custodians, and is also used for the purpose of non-discretionary advisory services. For more information on Investment Consulting please refer to your Consulting and Limited Advisory Agreement or Non-Discretionary Client Advisory Agreement.

Discretionary Advisory

The predominant way in which HighTower furnishes investment advice is through Discretionary Advisory services. Discretionary Advisory services begin with the completion of a detailed financial assessment of the Client, after which an Investment Policy Statement or other appropriate memorialization of the appropriate investment objectives (ex. Suitability profile form), will be developed ("the Investment Policy" or "IPS"). When the Investment Policy Statement or investment objectives are developed, it will be reviewed with the Client. Each Client grants investment discretion to HighTower to manage his or her assets in accordance with the objectives pursuant to a Discretionary Client Advisory Agreement.

Once the Investment Policy Statement or investment objectives are developed and reviewed, portfolios are designed and managed using a mix of investments, including stocks, bonds, mutual funds (stock funds, bond funds and other asset classes), options, warrants, real estate investment trusts ("REITs"), exchange-traded funds ("ETFs"), alternative investments, and other securities as chosen by the Advisor. For more detail about investment types please refer to part C below. For some clients it may be determined that an investment portfolio consisting primarily or exclusively of mutual funds is most appropriate. In these situations, a portfolio will be created, while taking into consideration the goals and objectives of the client and the appropriateness of the overall management style of the funds.

HighTower offers discretionary advisory services through an unbundled or bundled service. Through the unbundled service, clients pay separately for the different aspects of the investment advice. They pay separately for custodial fees, HighTower's advisory fee, and the managed account platforms described below – if applicable. Clients may also choose a bundled service, also called a wrap program.

Wrap Programs

Within a wrap program clients will pay an annual fee that covers all associated account fees (custodial fees, HighTower advisory fee, third-party money manager fees – if applicable). When a client elects to participate in a wrap program, the fees charged by the managed account platforms described below are included in the annual fee. HighTower's advisory fee is the amount charged to the client for the management of their account, and will include one or both of the following: 1) HighTower may choose to act as portfolio manager on the clients account, making all the investment decisions and trading in the account, as they deem appropriate, or 2) HighTower may also choose to delegate the portfolio management to third-party money managers (as described below), under which the bundled advisory fee covers the third party manager advisory fees and due diligence review of the managers selected. HighTower's advisory fee is variable and negotiable dependent upon chosen custodian, managers and amount of assets. Please refer to Item 5 for more detail.

Participation in discretionary advisory services, either unbundled or bundled, may afford access to affiliated and unaffiliated third-party money managers. The unaffiliated third-party money managers are third-party entities, offering specialized asset management expertise or services that HighTower utilizes to manage all or a portion of the client assets in appropriate cases. Such third-party money managers employ people with expertise ranging from research and selection of investment options, to monitoring the assets and deciding when to sell them. Once selected, these third-party money managers have the fiduciary duty/discretion for the portion of assets placed with them, to choose and manage investments prudently for the client, including the development of an appropriate investment strategy, and buying and selling securities to meet those goals (subject to restrictions imposed by the client). These programs allow clients to obtain portfolio management services that typically have higher minimum account sizes if the client sought to engage the manager off of the platform and/or outside of the program. HighTower has no ability to affect the trading decisions of the third-party money managers once a client decides to participate in these programs, and can only choose whether to engage a third-party money manager. HighTower retains the right to replace (i.e., "hire or fire") third-party money managers on behalf of clients that have given discretionary authority to HighTower. Accounts that have discretionary authority allow HighTower to choose or change any third-party money manager approved for a given platform, without additional approvals from the client. HighTower will evaluate the third-party money managers and investment vehicles to determine whether the third-party money manager is suitable for the client, given the appropriate style and allocation. In addition, HighTower performs ongoing due diligence of the individual third-party money managers' performance and management, continuously reviews the client's account for adherence to objectives outlined with manager, and will reallocate assets among managers if necessary.

Each third-party money manager maintains a separate disclosure document outlining their investment vehicles, and is provided to clients by HighTower. In addition, HighTower and third parties administering wrap fee programs maintain additional disclosure documents that specifically pertain to the wrap fee programs that they administer, which will be provided to clients as applicable. Clients should carefully review these disclosure documents for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the third-party money manager's potential conflicts of interest.

Financial Planning

HighTower may also provide financial planning to clients. Financial planning services are offered on a comprehensive or a la carte (limited focus) basis. Financial plans may encompass all or some of the following areas of financial concern to the client:

- Estate Planning Goals
- Retirement Planning
- Education Planning
- Insurance Planning/Risk Management
- Investments
- Asset Allocation Review and Recommendations
- Cash management and certain treasury services

Information is obtained through personal interviews (including a discussion of current financial status, future goals and attitude towards risk), and the review of related documents and data supplied by the client. A written financial plan may be prepared and provided. The implementation of financial plan recommendations is entirely at the discretion of the

client. Financial plans are not limited in any way to products or services provided by any particular company. However, in general, only products and services that HighTower is able to provide will be offered.

Pre-retirement planning

We provide the following services to Employee Retirement Income Security Act of 1974 ("ERISA") clients:

- Education and enrollment assistance.
- Draft, review and refinement of the Investment Policy Statement (IPS) to ensure the client's (the plan sponsor and/or trustee) objectives and risk tolerances have been met.
- Working with the trustees of the plan to determine the appropriate mutual funds and/or securities for plan participant investments to meet the criteria outlined by the plan.
- Meeting with the trustees of the plan to review the performance of the mutual funds and other securities selected by the trustees. Recommendations will be made to the trustees, who then have the sole authority to determine the course of action to take on behalf of the plan.
- Periodic reporting as agreed upon.

HighTower may or may not have discretionary authority to trade plan assets, but does not have control over the plan assets or control over the administration of the plan. Where HighTower does not have discretion over the plan assets, advice is provided to the plan in the form of recommendations to the trustees or plan sponsor. HighTower's role may be as advisor or consultant to the plan trustees. The consulting services provided are limited to those assets specifically identified in the client agreement.

Exhibit 1. - Advisory teams focus

While all investment advisory teams may offer all or some of the types of advisory services described above, each team has a focus as described below.

ADVISORY TEAM NAME	Investment Advisor Representative (IAR)	Advisory team's area of focus, team practices	Investment consulting/Wealth Management	Discretionary advisory services	Financial planning	Retirement Planning
HighTower Chicago Advisory Group	Steve Billimack	Family Wealth Management	YES	YES	YES	YES
Scannell Wealth Management	Tim Scannell		YES	YES	YES	YES
The Bapis Group	Nick Bapis, Michael Bapis		YES	YES	YES	YES
Levin Group	Barnaby Levin	IAR as portfolio manager	YES	YES	YES	YES
Lyon Wealth Management	Todd Lyon		YES	YES	YES	YES
Wisehaupt Bray Asset Management	David Wisehaupt, Stella Bray	IAR as portfolio manager	YES	YES	YES	YES
The Lyman Group	Curtis Lyman	IAR as portfolio manager, family and institutional wealth management, retirement and estate planning	YES	YES	YES	YES
Anderson Wealth Management	Blair Anderson, Don Stellan	3 rd party money manager	YES	YES	YES	YES

ADVISORY TEAM NAME	Investment Advisor Representative (IAR)	Advisory team's area of focus, team practices	Investment consulting/Wealth Management	Discretionary advisory services	Financial planning	Retirement Planning
Treasury Partners	Richard Saperstein, David D'Amico, Jerry Klein, Steve Bogner, Steven Feit, Suart Riemer	Corporate cash management, private wealth management, retirement consulting services	YES	YES	YES	YES
Matthias Kuhlmeier	Matthias Kuhlmeier	Financial planning	YES	YES	YES	YES
HighTower Westchester	John Lang, Peter Lang, Steve Ayer, Jeffrey Sullivan, Roman Ciosek		YES	YES	YES	YES
Rosenau Group	Pamela Rosenau	IAR as portfolio manager	YES	YES	NO	YES
Morse, Towey & White Group	Andy Morse, Justin Towey, Bob White		YES	YES	YES	YES
Thomas McGuirk	Thomas McGuirk	IAR as portfolio manager	YES	YES	YES	YES
Deggelman/Parker	Mike Deggelman, Chris Parker		YES	YES	YES	YES
The Morgia Group	Mike Morgia, PJ Banazek, Tony Morgia		YES	YES	YES	YES
Simmons Wilkes Investment Advisors	Ed Simmons, Blake Wilkes, Mike Simmons, Gibson Wilkes		YES	YES	YES	NO
Hightower Naples	Mark Masterson, David Emma		YES	YES	YES	YES
Amidei Romano Group	Brian Amidei, Joseph Romano, Brett D'Orlando	IAR as portfolio manager	YES	YES	YES	YES
Blanke Schein Group	Rick Blanke, Robert Schein, Michael Shields	Fixed income focus	YES	YES	YES	NO

ADVISORY TEAM NAME	Investment Advisor Representative (IAR)	Advisory team's area of focus, team practices	Investment consulting/Wealth Management	Discretionary advisory services	Financial planning	Retirement Planning
VWG Wealth Management	John Verfurth, Richard Weeks, Jeffrey Grinspoon, Lynette Jones		YES	YES	YES	YES
Pagnato-Karp	Paul Pagnato, David Karp, Charlie Holt, David Nelson, Amanda Knott		YES	YES	YES	YES
HighTower Bethesda	Jeff Leventhal, Stephen Rosen, Evan Nowack		YES	YES	YES	YES
HighTower Scottsdale	Jim Pupillo, Brian Hein, David Brasfield		YES	YES	YES	YES
James Hausberg	James Hausberg		YES	YES	YES	YES
HSW Advisors	Kenneth Hoffman, Richard Steinberg, Jordan Waxman		YES	YES	YES	YES
Kelly Wealth Management	Leo Kelly III, Avery Prkna, Brian Grumbach, Matthew Moore, John Morgan, Brian Sabo, Jason Edelson		YES	YES	YES	YES
Molnar/Nordlicht Group	David Molnar, Drew Nordlicht		YES	YES	YES	YES
Lerner Group	Gene Lerner, JR Gondeck, Mingdong Tan	IAR as portfolio manager, customized portfolios	YES	YES	NO	YES
Dillig Bowen Group	Matthew Dillig, Ted Bowen Jr.	IAR as portfolio manager, customized portfolios	YES	YES	NO	NO

ADVISORY TEAM NAME	Investment Advisor Representative (IAR)	Advisory team's area of focus, team practices	Investment consulting/Wealth Management	Discretionary advisory services	Financial planning	Retirement Planning
HighTower Las Vegas	Michael Pequeen, Ned Evans, Adam Thurgood, Sheila Delutri, Hugh Anderson		YES	YES	YES	YES
The Sarian Group	Greg Sarian, Frank Masse II, Michael Johnson		YES	YES	YES	YES
MK Wealth Management	Mark Kravietz		YES	YES	YES	YES
Shaffer Wealth Management	Roger Shaffer		YES	YES	YES	YES
Twickenham Wealth Advisors	Moss Crosby Mike Ahearn Wes Clayton Wilburn Sanders John Gibson, Robert Warren	IAR as portfolio manager and 3 rd party money	YES	YES	YES	YES
Klein Wealth Management	Peter Klein		YES	YES	YES	YES
The Andriole Group	Charles Andriole, Geoffrey Gregory, Robert DeLucca, Matthew Montana	IAR as portfolio manager and financial planning	YES	YES	YES	YES
LCK Wealth Management	Laurie Kamhi		YES	YES	YES	YES
RJ Wealth Management	Jeffrey Vogel, Ruther Berger		YES	YES	YES	YES
Gryphon Financial Partners	Joel Guth, Catherine Cory	IAR as portfolio manager, SMAs, Financial planning, Family Wealth Mgmt, Business Succession, Estate and Retirement planning, Cash flow planning	YES	YES	YES	YES

ADVISORY TEAM NAME	Investment Advisor Representative (IAR)	Advisory team's area of focus, team practices	Investment consulting/Wealth Management	Discretionary advisory services	Financial planning	Retirement Planning
The Ezzell-Conklin Group	Jason Ezzell, Douglas Conklin Alec Fisher	Investment Consulting, Wealth management, Financial Planning, Pre-Retirement Planning	YES	YES	YES	YES
HighTower Bellevue	Larry Knudsen, Daniel Stober, Randy Williams-Gurian		YES	YES	YES	YES
HighTower Fort Myers	Pamela Abraham, Trevor Swartz, Jack Thomas	Total Wealth Management, Discretionary Portfolio Management, Financial Planning	YES	YES	YES	YES
Fiduciary Plan Advisors	Jania Stout, Chad Wilson, Charles Vieth, Steven Zients	Qualified Plans, ERISA Plans	YES	YES	YES	YES
Wolf-Collins Wealth Management	William B Wolf, Ethan Collins	Wealth Management	YES	YES	YES	YES

C. Tailoring of advisory services

Restrictions:

In all cases, clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on their behalf. HighTower reserves the right to not accept, or to terminate an account, if HighTower believes the restrictions imposed are not reasonable or prohibit effective management of the account. HighTower is not obligated to implement other investment selections if it believes such investments are inconsistent with a client's risk tolerance or HighTower's management style.

Product types:

HighTower may choose to use any of the following investment options: stocks, bonds, mutual funds (stock funds, bond funds and other asset classes), options, warrants, real estate investment trusts ("REITs"), exchange-traded funds ("ETFs"), alternative investments, and other securities as chosen by the Advisor. In addition, HighTower may use these investment options in different variations and levels if prudent and suitable for the client; some examples of those are shorting a stock and naked options.

D. Wrap programs

HighTower does not manage discretionary advisory accounts differently based on whether they are wrap accounts vs. non-wrap accounts. Rather the decision is driven by the client's preference. As stated above, HighTower's advisory fee is the amount paid to HighTower for their advisory services. In the instance of a wrap (bundled) fee an agreed upon amount is paid to HighTower. That amount pays for HighTower's management of the account; in addition it will cover third party managers, custodial fees and/or performance reporting fees, among other things. For more information on our wrap programs please refer to HighTower's Form ADV Part IIA Appendix 1.

E. Assets Under Management

As of February 28, 2014, HighTower had \$15,084,848,327 in total assets under management, the vast majority of which is managed on a discretionary basis.

F. Important Information Regarding Conflicts of Interest:

Examples of actual or potential conflicts of interest arising from our advisory services may include, but are not limited to:

- Conflicts related to allocating time and resources between client accounts, allocation of brokerage commissions and investment opportunities generally. For further information on our brokerage and allocation policies, and related conflicts of interest, please refer to Item 12 below;
- Conflicts related to investing client assets (including uninvested cash) in investment vehicles in which we or our related persons have an interest. We have an incentive to recommend these products. Please refer to Item 10 and Section B in Item 11 below for further information;
- Conflicts related to receipt of compensation or benefits, other than advisory fees. We may have an incentive to favor non-clients that provide compensation to us over the interests of our clients. Please refer to Item 14 below for further information;
- Conflicts related to investing in securities recommended to clients, and contemporaneous trading of securities (i.e., personal trading) by HighTower and our related persons. We have an incentive to invest or trade in ways that benefit us, or our related persons, over the interests of our clients. Please refer to Item 11 for further information;
- Conflicts related to voting securities held in client accounts when we are delegated the authority to vote proxies. Conflicts may arise from time to time between the interests of HighTower, or our related persons, and our clients. Please refer to Item 17 below for further information;
- Conflicts of interest related to entertainment, gifts, sitting on boards of directors/trustees, charitable and political contributions, and other relationships with third parties. We have an incentive to favor those with whom we have these relationships. See Section A of Item 11 below for further information on our Code of Ethics.
- Conflicts related to a transitioning client's existing securities, investments or money manager positions that are portable to HighTower custodians. Please refer to Item 12 for further information.

Actual or potential conflicts of interest generally can be addressed in a number of ways, including the following:

- Prohibition – we prohibit the conduct that gives rise to the conflict of interest (e.g., insider trading is prohibited under our Code of Ethics);
- Disgorgement – we give a received benefit to a client (e.g., covering a client's transfer fee on transition to a HighTower custodian);
- Delegation – we engage a third-party to act or make a decision (e.g., we engage a proxy voting service);
- Isolation – we construct information barriers to prevent a person from gaining knowledge that gives rise to a conflict (e.g., we may isolate a portfolio manager from certain material non-public information);
- Validation – we establish a benchmark for conduct that is designed to protect client interests or limit the benefit that creates the conflict of interest;
- Disclosure/Consent – we disclose the conflict of interest to our clients (e.g., we require solicitors to provide disclosure regarding solicitation fees paid to them by us); or
- Setting a De Minimis Threshold – we set a threshold for a benefit that is considered too small to influence conduct, and is therefore permitted (e.g., we set limited on entertainment, gifts and political contributions under our Code of Ethics).

HighTower has adopted a Code of Ethics as required under SEC rules (Please refer to Item 11 below for further information on our Code of Ethics). HighTower also has compliance policies and procedures in place to mitigate and address the above-referenced conflicts of interest. HighTower believes such policies and procedures are reasonably designed to treat clients fairly and seek to prevent clients from being systematically favored or disadvantaged. Our compliance policies provide for various auditing and testing of our policies and procedures and are reviewed no less frequently than annually as required by SEC rules. Clients should refer to other sections of our brochure noted above for more specific information on conflicts of interest and how they are addressed.

ITEM 5 - FEES AND COMPENSATION

Depending upon the type of advisory service to be provided, clients generally have a choice regarding the manner in which fees will be calculated for such services. Options for calculating fees include the following:

- Percentage of assets under management;
- Hourly charges;
- Flat Fees;
- Other retainer or service fees, or some combination of the above.

Generally speaking, fees are negotiable from client to client, and are tailored to the specific type of services that HighTower provides to that client.

▪ Assets Under Management:

A client will be charged a certain percentage of assets under management with HighTower. Asset levels can be determined at the account level or the household level (multiple accounts).

▪ Hourly Charges:

HighTower may charge a client an hourly fee for wealth management services or financial planning; please refer to Item 4 for more detail on those services. For the hourly fee, the non-discretionary services will be outlined in a Consulting agreement.

▪ Fixed Fees:

Depending on the type of fee a client is paying (wrap or management fee only – please refer to Item 4 for more details), there may be fixed fees. When a client is using a management fee only service, there are additional fees the client will pay for, including reporting fees, custodial fees, transaction fees and third-party money manager fees.

▪ Other:

Similar to hourly charges, HighTower may charge a one-time fee (i.e. quarterly, annually, etc.) fee to a client for wealth management or financial planning services.

HighTower typically does not impose a minimum account size or a set minimum annual fee for its investment management services. Our services and fee structures may not be beneficial for portfolios below \$500,000 due to the negative impact that trading and transaction costs may have on performance. HighTower may negotiate fees on a client-by-client basis. The fee charged will be stipulated within each client's advisory agreement, and applies to the assets covered by the agreement (it may cover only one account or a household of accounts).

A client's custom fee schedule is negotiated on a client-by-client and manager-by-manager basis. Certain clients, as described within a client's advisory agreement, may be billed in an "all-inclusive" manner. In such instances, HighTower will assess one fee that captures the management, brokerage, and administrative portions collectively (except for Charles Schwab Select and Access program fees). Please see the Form ADV Part IIA – Appendix 1 - Wrap Fee Disclosure.

Fees are calculated quarterly; thus the annual fee is paid one-fourth each quarter. The clients' margin balance is typically included when calculating HighTower's fees. Clients should note that they may already be paying margin interest on these same assets. As an introducing broker/dealer, HighTower Securities, LLC may receive a margin interest spread, or rebate, on debit balances maintained in clients' margin accounts. Via HighTower Securities, LLC,

HighTower may receive a portion of such spreads or rebates as compensation. As such, HighTower is subject to a potential conflict of interest in recommending that advisory clients open margin accounts and maintain debit balances with HighTower Securities.

HighTower charges advisory fees based upon the valuation of client account(s) as determined by its performance-reporting vendors and custodians. The total portfolio value on which fees are based may vary from the value on the custodian statement (the valuation may be higher or lower) due to such factors as the timing and posting of dividends, settlement dates for trades, etc. Because billing is based on the average daily balance in client accounts(s), the number will be different from the ending portfolio balance on the client's quarterly statement as well. In some cases, clients may provide HighTower with pricing for securities or real assets that cannot be (or are not) verified by HighTower (i.e., either cost basis information no longer readily available, value of real assets such as a client's home or art collection, etc.). These will be shown on client reports as "below the line" assets and will not be used when calculating the client's management fees for the quarter. This will factor in at the end of each quarter when calculating the average daily balance for the advisory fee calculation and performance calculation.

Clients invested in mutual funds will indirectly pay management fees and other expenses of the mutual funds that are separate and in addition to the advisory fees paid to HighTower. In addition, HighTower may participate indirectly in the sales charges imposed by mutual funds through its affiliated broker/dealer, HighTower Securities, LLC. HighTower Securities, LLC may also receive 12b-1 fees in connection with certain mutual funds purchased for clients' accounts, including certain money market funds. These fees will not always be used to offset advisory fees paid by clients to HighTower, although in some cases clients' advisory fees may be lower (due to the receipt of the 12b-1 fees) than they otherwise would have been without the 12b-1 fees. HighTower may also receive shareholder-servicing fees (also referred to as "rebates" or "revenue sharing" payments) from various mutual fund companies with respect to its clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Via HighTower Securities, LLC, HighTower may receive a portion of such fees, rebates, and payments. As such, HighTower may be subject to a potential conflict of interest in recommending that advisory clients purchase mutual funds for which it or its affiliates receive fees.

Generally, fees received by HighTower will not exceed 2.5% (250 basis points). Each HighTower advisory team negotiates fees directly with the client, with such fees dependent on among other things, the account/household size, the securities utilized, and the investment strategy employed.

FEE PAYMENT

HighTower's primary payment method is where the custodian deducts the investment management fee from client accounts. For those not directly debited, an invoice will be sent directly to the client, and will be due in full within 10 days of receipt. Statements provided by the custodian will detail the total amount of the fees that have been deducted per quarter. Fees are not verified for accuracy by the custodian; it is the client's responsibility to do so. Some assets (usually those with initial or deferred sales charges) may initially be excluded from the on-going asset under management fee agreed to by clients and HighTower. At an agreed upon point in the future, the assets may be included in calculation of the clients' quarterly fees.

Certain platforms charge an "unbundled" fee, meaning fees for execution, custodial, reporting, and/or administrative services are not combined with the third-party money manager fees and/or HighTower's fees. Also, certain platforms will charge execution costs in the form of an asset-based fee. Depending upon the platform selected there may not be an option for "householding" your accounts for fee discounts..

In all cases, clients should carefully review each disclosure document maintained by third-party money managers that have been selected to manage their assets, as well as the disclosure document for each wrap fee program they participate in for complete details on the charges and fees incurred. HighTower will provide such additional disclosure documents, as applicable, to clients.

The fees paid to the third-party money manager and HighTower may be shown on clients' custodial statements as one gross fee or in some cases, as separate fees. Additionally, clients may request that fees be further detailed. In this case, the client will make this request at account inception, and will see two to three separate charges depending on the custodial reporting requirements. Some platforms and programs may require an additional advisory agreement with

clients in addition to the agreement signed with HighTower. Similarly, certain platforms and programs may require clients to complete brokerage account documents necessary to open new brokerage accounts.

Access to certain third-party money managers, platforms, and programs may be limited to certain types of accounts and may be subject to account minimums, which will vary and may be negotiable. Certain platforms and programs administered by HighTower and/or made available to clients by HighTower may be available through other independent investment advisors, and in certain instances, directly via the Custodian or another third-party administering the platform or program. In addition, clients may be able to access certain third-party money managers directly. As such, clients may be able to access such programs at a lower cost through other channels. Further, it may be possible for a client to access third-party money managers directly or through other platforms or programs for an "unbundled" fee that is lower than the "bundled" fee that is available through HighTower.

FINANCIAL PLANNING FEES

Fees are negotiated on a case-by-case basis, and may be charged on an hourly or fixed fee basis. The fee arrangement is set forth in the Client Agreement.

Hourly Fees. Hourly rates may range from \$60 to \$500 per hour based upon the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Hourly fees will be billed monthly as the work is provided (in arrears).

Fixed Fees. Fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested (beyond the original scope of the project), it may be billed on an hourly basis or a fixed price basis as negotiated. Fixed fees will be invoiced monthly or quarterly depending upon the negotiated agreement with the client and the anticipated delivery of the plan. Other limited planning services are billed monthly.

In addition, some or all of the financial planning fees may be included in the investment management fees agreed upon by clients and HighTower. Financial planning is not always billed separately. Total costs for financial plans, whether per hour or on a fixed basis, may range from as little as \$500 to as much as \$50,000 or more. There is no "typical" plan as services are customized to the particular needs of the client; thus there is a wide range of fees that may be imposed.

Should a contract be terminated prior to the service being delivered, HighTower will bill for work completed. In the case of prepayment of fees, the prorated refund will be based upon the hourly rate of the individuals who provided services.

CALCULATION OF FEES

Clients will receive one HighTower fee invoice per quarter. The billing methodology for the accounts is described in the individual client advisory agreement, and may vary by the advisory team and client. The terms of the advisory agreement will indicate whether the fees are charged in arrears or advance, and are a percentage of assets as valued at the end of the billing period, or the average daily balance of the account.

Some third-party platforms and programs may charge fees in arrears or in advance. These are outlined in the applicable program's Disclosure Document. Each client's billing specifics and elections are listed in its client advisory agreement.

ADDITIONAL COSTS

All fees paid to HighTower for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee and shareholder service fee. Clients should review such additional fees and the fees HighTower charges to understand the total amount of fees paid, as investments in mutual funds may be made by clients, independent of and without the services provided by HighTower. Virtually all investments purchased by prospectus or private placement memorandum have internal fees that are borne by the client in addition to any trading, execution, or HighTower advisory fees. HighTower is not compensated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of any client. HighTower's advisory fees are charged only as described within this disclosure document.

ADDITIONAL COMPENSATION

HighTower advisors may act as registered representatives under HighTower Securities, LLC, and receive compensation for some of the services provided in correlation with the advisory services herein. HighTower Securities, LLC receives economic benefit in the form of commissions for insurance transactions and group annuities. Clients are not obligated to use any recommended insurance company, agency or broker.

Advisors that are part of the HighTower Partnership received additional individual compensation and benefits upon joining HighTower. These benefits include material cash, firm ownership that may have the potential of significant appreciation, and substantial loans. The amount of benefits is determined in negotiations between HighTower and the advisor prior to employment and generally is in relation to the amount of business expected to transfer to HighTower. This typically equates to fifty percent cash and fifty percent firm ownership. In addition, during their transition to HighTower, the team received certain support services from their primary custodian. Such support services which will include some or all of technology, marketing, transition support and research.

Non-partner Advisors ("HighTower Network") received certain support services (which may have included technology, marketing reimbursement, transition support and research) upon joining HighTower and selecting a primary custodian. These benefits may represent a conflict of interest by incentivizing the financial advisor, relating to internal production goals that are commensurate with the benefits they received on engagement.

SHAREHOLDER SERVICES – COMMISSIONS AND 12b-1 FEES/TRAILS

HighTower Advisors, LLC has arrangements with its custodians, whereby the custodian pays HighTower Securities a fee equal to a fixed percentage of the total assets in certain mutual funds of certain client accounts, including mutual fund positions held by individual retirement accounts or accounts subject to the Employee Retirement Income Security Act of 1974, (collectively, "ERISA Accounts") of HighTower Advisor's employees, principals, and/or officers who are registered representatives of HighTower Securities. The fee that the custodian pays HighTower Securities might represent a significant amount of that custodian's mutual fund service fees. The fee is in recognition of certain shareholder servicing that registered representative affiliate(s) of HighTower Securities perform in respect of those assets. Those shareholder servicing fees are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to HighTower's clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Because the affiliate(s) of HighTower Securities receive an economic benefit, HighTower Advisors has a potential conflict of interest in recommending to clients that they use a specific custodian and invest their assets in certain mutual funds. These fees will not always be used to offset HighTower's fees, although in some cases clients' quarterly fee may be lower because of the receipt of the Shareholders Services fees. The possibility of this compensation creates an incentive for an Investment Advisor to make decisions for the clients that would have the effect of increasing this compensation.

ALTERNATIVE INVESTMENTS PLACEMENT AGENT

HighTower Securities may act as a placement agent for certain 3rd party alternative investment companies. In this role, HighTower will solicit clients to invest in said alternative investment based on its appropriateness for the individual client, and applicability to the investment manager's strategy parameters. HighTower Securities may receive additional compensation for acting as placement agent, in addition to that which the client may pay in investment advisory fee. This additional compensation is not deducted from the clients' investment in the product.

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

HighTower does not charge or accept any performance-based fees (i.e. fees based on a share of the capital gains on a client's account or on the capital appreciation of the client's assets).

“Side-by-side management” refers to the simultaneous management of divergent types of client accounts/investment products. Our clients have varying investment objectives, policies, strategies, limitations and restrictions.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for the firm, our employees and supervised persons. We follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged and we manage our accounts consistent with applicable law. Please see Item 11 for a discussion of such procedures.

ITEM 7 – TYPES OF CLIENTS

HighTower generally provides advisory services to:

- Individuals - High Net Worth and Ultra High Net Worth;
- ERISA-governed and other retirement accounts and certain Pension and Taft-Hartley plans;
- Trusts, estates and charitable organizations;
- Corporations or other business entities; and
- Institutional organizations - colleges, universities

Account Requirements:

Generally, there is no set minimum annual fee or minimum account size to open or maintain an account. HighTower’s investment management services may not be beneficial for assets below \$500,000, as the relatively higher advisory fees and trading and transaction costs may have a negative impact on performance. See Item 5 of this Brochure for more information regarding advisory fees and the other fees and expenses those clients may pay in connection with our advisory services.

General Note Regarding Managed Account Platforms and Wrap Programs:

Access to certain third-party money managers, platforms, and programs may be limited to certain types of accounts and may be subject to account minimums, which will vary and may be negotiable depending upon the third-party money managers, platforms, and programs selected. Such minimums will be disclosed through separate disclosure documents.

ITEM 8 - METHOD OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

HighTower utilizes a variety of methods and strategies when formulating investment advice and managing client assets. The methods of security analysis include:

Analysis	Description	Risk involved	Sources of information
Charting	Displaying the performance of a security for review in a graphic version. It can be setup for any length of time and helps determine how the security will perform over time. Normally it is used to predict trends within the security during certain	There is no guarantee that past trends will reoccur. Individuals can project that based on the chart a security will perform one way when there is no guarantee of that performance.	Prospectuses, research materials, financial newspapers and magazines

	time frames.		
Fundamental Analysis	Looking at the historical and present financial statements of a company. Reviewing the revenue, expenses, assets and liabilities to gain insight on a company's future performance. This analysis will also factor in the overall economy and industry specific conditions.	Individuals can read and project the statements differently and therefore believe different outcomes will occur.	Inspection of corporate activities, annual reports, filings with the SEC
Technical Analysis	Reviewing patterns and trends of a specific security/sector. Using data of past prices and volume the goal is to predict what a security will do in the future.	Analysis and execution of the data is at the discretion of the person reviewing the data. Past performance is not a guarantee of future performance.	Research materials, inspections of corporate activities, annual reports, filings with the SEC
Quantitative analysis	Technique that tries to understand the behavior of a security/sector by using complex mathematical and statistical modeling. It can be used for performance evaluation, valuation of an instrument or try to predict market events.	Quantitative analysis does not factor in all variables. This technique uses what is believed to be appropriate formulas and processes to determine the proper path. There is no way to guarantee that this thinking is correct.	Inspection of corporate activities, annual reports, filings with the SEC

Other analysis methods may be utilized in vetting potential investments for clients, including, but not limited to, conducting operational due diligence on third-party money managers and unaffiliated pooled investment vehicles

HighTower uses the following investment strategies to implement any investment advice (but are not limited to):

Investment strategies	Description	Risks involved	Client related information
Long term purchases	Securities held at least a year	Not able to take advantage of short term gains or get out during a losing period.	This is the basic premise used for long-term investing. Most investors fall into this category.
Short term purchases	Securities sold within a year	Potential to sell/buy to early/late. Miss out on gains or receive too many losses. Increased trading costs and greater tax liabilities.	This is used for an active account. For those looking for long-term investing but keep an eye on the assets under management for growth opportunities.
Trading	Securities sold within 30 days	These assets are actively managed and maintained. Need someone keeping an eye on them at all times which might lead to potential losses or missing of gains. There are potential fees associated with some	This is normally used for those that are more aggressive in the investment objective. Trying to obtain big profits with the risk of bigger losses.

		securities with selling within 30 days.	
Margin transactions	Transactions that a broker/dealer extends credit to customer in a margin account to assist in the purchase of a security	Purchasing securities on margin can amplify potential returns and losses. As such, purchasing securities on margin may result in losses greater than an advisory client's original principal. Clients should carefully review disclosures regarding risks, fees, and other considerations appearing in margin account agreements prior to opening margin accounts.	This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary. They are looking to obtain a large gain while putting themselves at a higher risk.
Lending/Collateral	Using the securities within your account as collateral for a loan or borrowing a security. In addition, there may be a fee/interest to pay to maintain the loan/borrow the security.	Some securities may be "hard-to-borrow" and therefore there will not be a market to redeem securities and will charge a higher fee for borrowing. In addition, the collateral security is still exposed to credit, interest and liquidity risks. If you are borrowing a security the stock may move opposite of what you believed would happen and you are at an unlimited risk position.	This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary. They are looking to obtain a large gain while putting themselves at a higher risk.
Option writing	Investing in an option to execute an investment at a certain price expecting the price of the underlying stock to increase or decrease	Depending on the type of option will determine the level of risk. You can have anywhere from an unlimited loss to just a minimal fee per month for holding the option.	The type of client involved in options trading will depend on the type of option. Most investors can be involved with covered options while only sophisticated investors should be involved with uncovered options.
<ul style="list-style-type: none"> Covered options 	Investors writes a call option while owning the same number of shares of the underlying stock	The risks involved with covered options are the amount you invested. If the security you are writing an option against becomes worthless than you would lose your whole investment minus the premiums received for holding the option.	Most investors with a basic understanding of options normally invest in covered options. They are normally trying to place a hedge on a currently held position and earn premium income.
<ul style="list-style-type: none"> Uncovered options 	Investors writes a call option while not owning the underlying stock	The risk potential is for an unlimited loss if the market moves opposite of what is expected and underlying security cannot be located.	This is for sophisticated investors with large net worth and liquid assets to cover losses if necessary. They are looking to obtain a large gain while putting themselves at a higher risk.
<ul style="list-style-type: none"> Spreading strategies 	Buying and selling of the same option contract	You are limiting the potential gain you could receive by using spreads. The costs are	Spreading strategies are for investors with a good understanding of options. They are used for

		higher because you are purchasing 2 options to setup the strategy.	investors looking to hedge positions or hedge their losses while still obtaining the objective of growth. In addition, to potentially receiving premiums from holding a contract.
Shorting	Sale of a stock that an investor does not own or a sale which is consummated by the delivery of a stock borrowed	The loss potential in theory has no limit.	Often used as a hedge strategy to manage the risks of long investments or when one believes the market is a specific security is going down. Shorting is normally only for clients with large net worth and liquid assets.

HighTower derives the information for our fundamental analysis described above from financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and other sources that will assist in the analysis. As indicated by the chart above certain sources of information are more prevalent in the fundamental analysis for certain methods/strategies. Other investment strategies may be chosen if they meet a client's particular financial needs, risk profile, and overall investment strategy.

In addition to the individual advisory team due diligence, HighTower has an internal department called Group Investment Solutions (GIS). This department is tasked with reviewing and performing due diligence on potential investments, third-party money managers and private investments among other things.

C. Risks of particular securities

Subject to the client's advisory agreement, we may invest and reinvest client's assets in a variety of securities and other investments. These securities and other investments may include, among other securities or other investments permitted under client investment guidelines:

- Equity securities:
 - exchange-listed securities
 - securities traded over-the-counter
- Securities of foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities:
 - variable life insurance
 - variable annuities
 - mutual fund shares
- United States government securities
- Options contracts on:
 - securities
 - commodities
- Interests in partnerships investing in:
 - real estate
 - oil and gas interests
- ETFs (exchange-traded funds);
- REITs (real estate investment trusts);
- Limited partnerships;
- Hedge funds;
- Private equity;

Risk of strategies

Investments in different vehicles can lose money over short or even long periods. You should expect the investment's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. Your investment performance could be hurt by:

- Stock market risk: the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Sector risk: the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market. Depending on how the vehicle allocates assets, it may invest all, or substantially all, of its assets in the consumer discretionary sector, the investment's performance largely depends—for better or for worse—on the general condition of that sector. Companies in the consumer discretionary sector could be affected by, among other things, overall economic conditions, interest rates, consumer confidence, and disposable income.
- Non-diversification risk: the chance that the investment's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. An investment is considered nondiversified, when it may invest a greater percentage of its assets in the securities of a small number of issuers as compared with other mutual funds.
- Investment style risk: which is the chance that returns from small- and mid-capitalization stocks (to the extent that the clients' assets are invested in small- and mid-cap stocks) will trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.
- Investment Company Risk: by investing in mutual funds you risk the potential of not capitalizing on the growth of the overall stock market. If some of the underlying stocks run up in price, mutual funds may not be able to capitalize on the appreciation due to the potential of other underlying stocks not appreciating as much. In addition, the fees associated with investing in mutual funds may be more than if you were to purchase the underlying shares directly.
- Private Equity Risk: private equity is normally an investment with companies or sectors that are not publicly traded. These investments are normally very illiquid; therefore they are not ideal for clients with frequent cash needs. There is normally no public market for private equity shares, if investors need to sell their shares they will so mostly like at a substantial discount. The risk of investing with a private equity is the majority or complete loss of invested funds depending on the underlying companies. In addition, investors may not see any return on investment for some time depending on the type of investment; these investments should be seen as a long-term investment.

Because ETF Shares are traded on an exchange, they are subject to additional specific risks:

- Consumer Discretionary ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Consumer Discretionary ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the client may pay more or less than NAV when you buy Consumer Discretionary ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although Consumer Discretionary ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained.
- Trading of Consumer Discretionary ETF Shares on NYSE Arca may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Consumer Discretionary ETF Shares may also be halted if (1) the shares are delisted from NYSE Arca without first being listed on another exchange or (2) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

ITEM 9 - DISCIPLINARY INFORMATION

The Firm and its management personnel have no reportable disciplinary events to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

HighTower has arrangements that are material to its advisory business with HighTower Securities, LLC ("HighTower Securities"), a "related person" of HighTower.

Affiliated Broker-Dealer, Investment Adviser, Insurance Brokers and Commodity Trading Advisor

HighTower is affiliated through common ownership with HighTower Securities. HighTower Securities is a broker-dealer registered with the Securities and Exchange Commission, and is also licensed as a general insurance broker and agency and commodity-trading advisor. HighTower Securities is a member of FINRA, the MSRB, and SIPC and is registered in various states as required.

HighTower may execute securities transactions on the JP Morgan custodial platform for its advisory client accounts through HighTower Securities. As such, HighTower Securities may receive a commission or other forms of compensation in connection with these activities.

HighTower is also affiliated to certain entities, through the entities' capital investment with HighTower Holding, LLC. Such affiliates may be unaffiliated registered investment advisers, and include: M.D. Sass Macquarie Financial Strategies Fund, Macquarie Funds Group (a wholly owned subsidiary of M.D. Sass Macquarie), Franklin Mutual Advisors, LLC, Envestnet, and Offit Capital.

HighTower may recommend that clients engage these affiliates to provide advisory services and/or invest in advisory products managed by the affiliates, including, but not limited to, limited partnerships. This could potentially be a conflict of interest as HighTower may direct business to an affiliate over another qualified product. HighTower minimizes this conflict by completing a rigorous due diligence review on its partners before approving their products and services for clients, and only products that are believed to meet a client's investment objectives and risk tolerance are recommended. HighTower does not receive additional benefits or compensation from these firms because HighTower uses their products and services, although in some cases the pricing HighTower is able to offer its clients may be less than it would have been without this relationship.

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

CODE OF ETHICS

HighTower has adopted a code of ethics (the "Code") that establishes rules of conduct for all employees, officers and directors of the investment advisory entity and is designed to, among other things, govern personal securities trading activities in the accounts of associated persons. The Code is based upon the principle that HighTower and its employees, officers and directors owe a fiduciary duty to HighTower's clients to conduct their financial affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. This section of the brochure contains a brief description of HighTower's Code, a copy of which will be provided to any client or prospective client upon request. Clients may request a copy of the Code by contacting HighTower at Compliance@hightoweradvisors.com, or by phone, at 312-962-3800.

GENERAL STANDARDS OF BUSINESS CONDUCT; INSIDER TRADING

The Code was developed to provide general ethical guidelines and specific instructions regarding the duties owed to advisory clients. All access persons must act with competence, dignity, integrity, and in an ethical manner, when dealing with clients, the public, prospects, third-party service providers and fellow access persons. Access persons must use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting HighTower's services, and engaging in other professional activities. All access persons are expected to adhere to the highest standards with respect to any potential conflicts of interest with clients. As a fiduciary, HighTower must act in its clients' best interests. In addition, and in compliance with Section 204A of the Advisers Act, and Rule 204-1 thereunder, HighTower has adopted written policies and procedures that are embodied in the Code, designed to detect and prevent the misuse of material, nonpublic information.

PERSONAL SECURITIES TRANSACTIONS OF "ACCESS PERSONS"

Through its professional activities, HighTower and its supervised persons are exposed to potential conflicts of interest and the Code contains provisions designed to mitigate certain of these potential conflicts, by governing the personal securities transactions of certain of its employees, officers and directors. In particular, the Code governs the conduct of so-called "access persons" in instances, among others, where HighTower or certain individuals associated with HighTower may desire to purchase or sell securities for their personal accounts that are identical to those recommended by HighTower to its clients. For these purposes, the Code defines an "access" person as a supervised person of HighTower that (i) has access to nonpublic information regarding any clients' purchase or sale of securities, (ii) has access to nonpublic information regarding the portfolio holdings of any fund the adviser or its control affiliates manage, or (iii) is involved in making securities recommendations (or has access to such recommendations) to clients that are nonpublic.

Access persons' trades must be executed in a manner consistent with the following principles: (i) the interests of client accounts will at all times be placed first; (ii) all personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (iii) access persons must not take inappropriate advantage of their positions. In addition, the code requires pre-clearance of transactions in securities in an initial public offering and in any securities in a limited offering or private placement.

Access persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. HighTower monitors access persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures. HighTower strives to ensure that all access persons act in accordance with applicable regulations governing registered investment advisory practices as they apply to HighTower. Any access person not in observance of this goal is subject to sanctions, including termination of employment.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS:

The Code does not prevent or prohibit access persons from trading in securities that HighTower may recommend, or in which HighTower may invest client assets. Rather, it prescribes the principals that must govern all access persons' personal trading activities (i.e. that (i) the interests of client accounts will at all times be placed first; (ii) all personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (iii) access persons must not take inappropriate advantage of their positions). As such, it is possible that (i) HighTower and its advisory personnel, could recommend to clients, or buy or sell for client accounts, securities in which one or more access persons (or even HighTower) has a material financial interest, (ii) access persons (or even HighTower) could invest in the same securities (or related securities) that HighTower or its advisory personnel recommends to clients, or (iii) HighTower or its advisory personnel, could recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that one or more access persons buys or sells the same securities for their own account. This presents a potential conflict in that the access person might seek to benefit himself or herself from this type of trading activity in the same securities, either by trading for personal accounts in advance of client trading activity, or otherwise. These types of potential conflicts are precisely why HighTower has articulated clear principles regarding such conduct and has required the

submission of regular reports regarding personal securities transactions of its access persons. As noted above, conduct by an access person that is contrary to the Code may subject the access person to possible sanctions including, in appropriate cases, termination of employment.

ITEM 12 - BROKERAGE PRACTICES

In the event that a client requests HighTower to recommend a broker-dealer (referred to in this Brochure generally as a “custodian”) for execution and/or custodial services, HighTower will generally recommend broker/dealers or custodians with whom HighTower has an existing relationship, including Fidelity/IWS, Schwab, JP Morgan, and TD Ameritrade. HighTower has chosen to establish relationships with these custodians based upon their financial strength, reputation, execution capabilities, pricing, research and service and recommends their use to clients based upon these factors, consistent with HighTower’s fiduciary obligations, including the duty to seek best execution. Although HighTower has found the use of these custodians to be consistent with its obligation to seek best execution and that the fees (including but not limited to commissions and/or transaction fees) charged by each is reasonable in relation to the value of the brokerage and research services provided, a client may nonetheless pay a fee for services that is higher than another qualified broker/dealer might charge to effect the same transaction. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer’s services, including the value of research provided, execution capability, commission rates, and the benefit to all clients. Additional information is set out below regarding each of these recommended custodians and the considerations that may be important to a client when selecting a custodian from among the recommended custodians. That discussion includes other services that each recommended custodian provides to HighTower and for which it does not charge, or for which it charges a reduced rate, as a result of having established a relationship as a recommended custodian of HighTower. These services may include research in addition to the other services set out with more specificity below.

Additional information regarding the types of services and/or products provided by each of the custodians is set out below. In certain cases, HighTower has the discretionary authority to pick a non-related broker (other than a client’s current Custodian), to execute a fixed income trade. Each trade placed at a broker other than a client’s selected Custodian will cost the client up to \$25.00, which is charged by the Custodian to settle the trade. This is in addition to any mark-up or markdown that may be paid to the broker/dealer HighTower selects to buy or sell the security. Clients must qualify for prime brokerage to participate in these transactions. To qualify for prime brokerage transactions, clients must maintain a minimum portfolio value of \$150,000 or more and sign the appropriate prime brokerage paperwork with the custodian. HighTower may use this discretionary authority to trade away from the custodian when purchasing or selling fixed income securities only. It is not used in all cases. Reasonable restrictions on this authority may be imposed, as described above.

In still other cases, the client may direct HighTower to utilize a custodian that is not among the HighTower-approved custodians. This is referred to as “directed brokerage”. In directing HighTower to use a specific custodian and/or broker/dealer (other than those recommended by HighTower), clients should understand that Hightower will not have the authority to negotiate commissions among various Custodians or obtain volume discounts. With HighTower not having an established relationship with these custodians, the client may pay higher servicing fees to the custodian of their choice. This may also affect HighTower’s ability to achieve best execution for these clients.

Research and Other Benefits to HighTower

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, HighTower may receive from Fidelity/IWS, Schwab, JP Morgan, or TD Ameritrade (or even another custodian) certain support services or products, without cost or at a discount, that assist HighTower in monitoring and/or servicing client accounts. These services may include investment-related research, pricing information and market data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and/or educational or social events, marketing support, computer hardware and/or software and/or other products and services used by, or useful to, HighTower in providing investment advisory services to its clients. Clients are directed to a more complete discussion

below of each of the recommended custodians, types of services, support, and products that are made available to HighTower by each.

General Information Regarding Recommended Custodians

Before HighTower approves a custodian for recommendation to clients, HighTower will review, as applicable, the custodian's operational, financial, and regulatory status, as well as their technological offerings, research capabilities, and execution capabilities, among other things. Even though HighTower recommends specific custodians, clients should evaluate each firm to ensure that the custodian selected will provide the best blend of service and cost. Transaction charges, commissions and fees may be higher or lower than clients would pay at other firms. HighTower has negotiated arrangements with all of its recommended custodians and trading platforms in order to provide pricing and services that it believes are competitive with other firms offering similar services.

It is important to note that some products, securities and/or money managers may not transition from the client's previous advisory firm to HighTower. Such positions would subsequently be required to be liquidated, resulting in potential transaction fees, as well as other changes to the account(s).

As noted above, HighTower may receive additional services from its recommended custodians, including but not limited to the ability to enter trades electronically, compliance guidance, and consolidated account statements for clients with multiple accounts. If these additional services were not provided to HighTower by the recommended custodians, HighTower might be compelled to purchase the same or similar services at its own expense.

In addition, HighTower participates in back office and support programs sponsored by each of these brokers/custodians. These programs and the services provided, including trading capabilities, are essential to HighTower's service arrangements. HighTower does not, as a general matter, routinely accept clients who direct HighTower to use other broker-dealers/custodians. As part of its participation in these programs, HighTower receives benefits that it would not receive if it did not offer investment advice. As a result of receiving such services at a reduced cost (or at no additional cost), HighTower may have an incentive to continue to use or to expand the use the services of its chosen Custodians. HighTower examined this potential conflict of interest when choosing to enter into the relationship with these firms, in addition to the other criteria articulated above regarding the selection of custodians, and determined that each relationship with a recommended custodian is in the best interests of its clients and that HighTower is able to satisfy its obligations to clients, including its duty to seek best execution, through the use of such recommended custodians.

As noted above, the use of HighTower's recommended custodians may cause a client to pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction. Nevertheless, in connection with evaluating the fees and services offered by its recommended custodians, HighTower has determined in good faith that the commissions and other fees charged by each are reasonable in relation to the value of the brokerage and research services received.

Referrals to Custodians

As stated previously, HighTower utilizes the custodial services of Fidelity/IWS, Schwab, JP Morgan, and TD Ameritrade. Through these firms HighTower receives direct access to real-time client account information, electronic download of trades, balances and positions, and the ability to direct the custodian to directly debit client advisory fees. HighTower also receives software and support services, including reductions in seminar and conference fees from these firms. These services provided to HighTower are not contingent upon any specific amount of business (assets or trading). HighTower's participation in these arrangements may raise potential conflicts of interest.

Fidelity, Schwab, TD Ameritrade and JP Morgan have dedicated services and technology for registered investment advisers. Each provides HighTower with benefits it may not receive from other firms in terms of pricing and services. They also make available services or funding intended to help HighTower manage and further develop its business enterprise. These services may include consulting, transition support, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, they may make available, arrange and/or pay for these types of services rendered to HighTower by independent third parties. Fidelity, Schwab, BNY Mellon, TD Ameritrade and JP Morgan may discount or waive fees they would

otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HighTower. This may create a potential conflict of interest.

Considerations Relevant to the Selection of a Specific Recommended Custodian

As noted, HighTower generally recommends that clients select one of the following custodians: Fidelity/IWS, Schwab, JP Morgan, or TD Ameritrade. All such custodians are members of FINRA and the Securities Investor Protection Corporation (SIPC), and are registered broker/dealers. These firms maintain custody of clients' assets and effect trades in client accounts. HighTower is independently owned and operated and not affiliated with any of the recommended Custodians.

In recommending these firms, HighTower has evaluated each and determined that they offer HighTower's clients an excellent blend of service, financial strength, competitive commission rates, and access to mutual funds otherwise not available to HighTower or its clients, among other factors. Each of these firms provides HighTower with access to institutional trading and custody services, which are typically not available to retail investors, as well as other products and services identified in this Section of the Brochure. The following additional information regarding each of these custodians may be relevant to clients as they select from among the recommended custodians of HighTower.

Fidelity/IWS:

HighTower has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, "Fidelity") through which Fidelity provides HighTower with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as HighTower in conducting business and serving the best interests of clients. These may also be a benefit to HighTower, which may otherwise have to pay for such items at its own expense.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt security transactions). Fidelity enables HighTower to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker/dealers.

As part of the arrangement, Fidelity also makes available to HighTower, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by HighTower. Some research packages may be selected by HighTower from the Fidelity system and do incur an additional charge to HighTower. For example, these research and brokerage services presently may include those provided by Reuters, Standard and Poor's, and Bloomberg, and may be used by HighTower to manage accounts and provide advice to all clients regardless as to whether such clients use Fidelity.

If a client account custodied at Schwab is based upon transaction-based pricing, the participation in the wrap fee sponsored by HighTower may present a disincentive for HighTower to affect securities trades in the client account inasmuch as HighTower will pay the transaction/execution costs associated with such trades directly to Schwab.

Fidelity has an ownership interest in Envestnet, a firm involved with managed account platforms and wrap programs recommended by HighTower. Envestnet is an investor in HighTower. As such, HighTower faces a conflict of interest in approving advisory products and services involving Envestnet to be recommended to clients by HighTower. HighTower attempts to mitigate this potential conflict by completing the same level of due diligence that it would otherwise complete for an unaffiliated firm before approving their products and services for recommendation to its clients.

Schwab:

Most custodial services may be available to independent investment advisers on an unsolicited basis, at no charge to them, as long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional and are not otherwise contingent upon Adviser committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

If a client account custodied at Schwab is based upon transaction-based pricing, the participation in the wrap fee sponsored by HighTower may present a disincentive for HighTower to affect securities trades in the client account inasmuch as HighTower will pay the transaction/execution costs associated with such trades directly to Schwab.

HighTower receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through HighTower's limited participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors locate an independent investment advisor. Schwab is a broker-dealer independent of, and unaffiliated with, HighTower. Schwab does not have any responsibility for HighTower's management of clients' portfolios or HighTower's other advice or services. HighTower's participation in the Service may raise potential conflicts of interest described below.

Under the Service, HighTower pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by HighTower is a percentage of the fees the client owes to HighTower or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. HighTower pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to HighTower quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by HighTower and not by the client. HighTower has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs HighTower charges clients with similar portfolios who were not referred through the Service.

HighTower generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, HighTower will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of HighTower's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, HighTower will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab.

For accounts maintained at Schwab, Schwab will not generally charge the client separately for custody but will receive compensation from the affected clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, HighTower may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. HighTower acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for HighTower's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

JP Morgan:

By recommending certain programs of JP Morgan, HighTower is also recommending itself and its affiliated broker/dealer, HighTower Securities, LLC. HighTower may have an incentive to recommend programs that generate revenue for HighTower and its affiliated broker/dealer over other programs to the extent that such arrangements generate higher total income for HighTower and its affiliates. In addition, clients should understand that this brokerage arrangement may cause the client to forego any potential savings on execution costs that HighTower otherwise might be able to negotiate with different broker/dealers, such as reduced execution costs that may result from utilizing alternative trading services.

HighTower's affiliated broker/dealer, HighTower Securities, LLC may earn compensation for accounts custodied at JP Morgan. HighTower Securities has a financial interest in acting as broker and executing transactions for such

accounts, because HighTower Securities receives commissions in the form of service or 12b-1 fees in connection with assets in money market funds. These fees are ultimately born by clients in these funds (these assets are typically excluded from the calculation of clients' advisory fee). Service or 12b-1 fees are regulated under the Investment Company Act of 1940. Ultimately this may also provide indirect compensation to HighTower.

TD Ameritrade:

HighTower has an arrangement with TD Ameritrade ("TD") through which TD provides HighTower with "platform" services. The platform services include, among others, brokerage, custodial, administrative support, recordkeeping, and related services that are intended to support intermediaries such as HighTower in conducting business and serving the best interests of clients. These may also be a benefit to HighTower, which may otherwise have to pay for such items at its own expense.

Trade Aggregation and Allocation

HighTower may "aggregate" or "block" purchase or sale transactions where it decides to purchase or sell the same securities for several clients at approximately the same time. HighTower may, in certain circumstances, include access person transactions with those of nonaffiliated clients. Generally, HighTower would aggregate or block such transactions in order to obtain best execution, to obtain more favorable commission rates, or to allocate equitably among multiple clients, the differences in prices, commissions or other transaction costs that might have been obtained had such orders been placed independently. Each account participating in the block will receive the average price if multiple executions are required to complete the order, and transactions and costs will be allocated in proportion to the purchase and sale orders placed for each client account in that security on that day. Block trades will typically be segregated by custodian, and by HighTower Advisory team, when purchasing or selling securities. Clients participating in a mini block may not receive the benefit of negotiated commissions, as HighTower does not have that authority on an account-by-account or transaction-by-transaction basis. HighTower may block multiple client accounts together that qualify for prime brokerage trading activity. In such cases, participating clients will receive the average execution price and their pro rata share of transaction costs. However, because of HighTower's practice of managing portfolios on an individual basis, HighTower does not frequently block transactions except for certain accounts managed in accordance with a model. Thus, HighTower's ability to take advantage of volume discounts or other potential cost and execution advantages of block trades may be limited. HighTower urges all advisory teams to use block trading in appropriate cases to assist in all clients receiving the same execution price. In addition, accounts participating in block trades pay a proportional share of any commission, subject to minimum ticket charges. HighTower allows de minimis deviations with respect to allocation determinations in order to place round lots in advisory client accounts.

New Issues or Secondary Offerings (Equity and Fixed Income)

For a client to take part in any new issue or secondary offering, the necessary qualifying documents need to be on file. HighTower then will reach out the clients to gauge interest in the new issues. If a pre-qualified client does express interest, their order will be filled utilizing the following allocation process, subject to change at the discretion of the HighTower trade desk:

1. If a full allocation is received, all advisory teams and their respective clients will receive 100% of their indication of interest.
2. If a partial allocation is received, shares will be allocated to the participating advisory teams and their respective clients based on a number of factors dependent on the clients custodian, which could include:
 - a. The size of the indications at the account level
 - b. Account level participation in previous deals
 - c. Account level size/net worth

Trade Errors

For all custodians, where a trade error occurs in a client account due to HighTower's error, HighTower will correct the error and ensure the client account does not suffer a loss. However, with the exception of the limited instances for Schwab-custodied accounts noted below, the client will not profit from the error, even if the subsequent correction results in a profit due to market movement. In the cases of a profit HighTower will maintain those gains.

- Charles Schwab trade error policy:

From time-to-time HighTower may make an error in submitting a trade order on your behalf. When this occurs, HighTower may place a correcting trade with the Schwab broker-dealer. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, HighTower will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Cross Transactions

A cross trade is where HighTower executes a buy and sell order of the same security from one client account to another. HighTower Cross transactions for any HighTower client must be pre-approved and have a change in beneficial ownership..

Agency Cross Transactions

An agency cross trade would occur if HighTower executes a trade for a HighTower advisory client on one side of the transaction and a non-advisory client on the other. HighTower does not currently engage in agency cross trades.

Principal Transactions

A principal transaction is one in which HighTower would engage in the practice of buying securities for its own inventory from a HighTower advisory client or selling securities from its own inventory to a HighTower advisory client. HighTower does not currently engage in principal transactions for advisory clients.

ITEM 13 - REVIEW OF ACCOUNTS

A. REVIEW OF ACCOUNTS

1. INVESTMENT MANAGEMENT SERVICES, MANAGED ACCOUNT PLATFORMS, AND WRAP PROGRAMS

- a. Each account receives at minimum an annual review by the advisory team. In most cases, accounts are reviewed more frequently through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by clients, which are generally memorialized through their individual advisory agreements, investment policy statements, or other suitability and investment objectives documentation.
- b. Periodic reviews and face-to-face meetings or conference calls are encouraged. Events that may trigger a review include client requests, a change in financial goals or objectives, and significant world, economic or market events.
- c. While HighTower will typically evaluate the continued suitability of specific third-party money managers (as applicable), managed account platforms, and wrap programs during account reviews, the administrators of such platforms and programs (which may be HighTower, a Custodian, or another third-party) may also perform their own reviews of managers appearing on the platforms and programs. Any such reviews will be disclosed in the manager's separate disclosure documents sent at account

opening, after material changes and/or annually and are maintained by the administrators to applicable platforms and programs.

- d. In addition, HighTower's Compliance Group performs a regular and rigorous review of client accounts. Compliance reviews the account to determine adherence with the client's account suitability, risk tolerance and goals, among other things.

2. FINANCIAL PLANNING SERVICES

a. Financial plans may not be reviewed, depending on the nature of the service, until after the plan is delivered (in the case of a written plan), or after the service is provided. The frequency of plan review will be dependent on the agreement terms. If deemed necessary it may be reviewed quarterly, yearly or some other determinate amount of time. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives. Financial Planning, by its nature, does not require periodic review; it is not an asset management service, – we offer input and advice for different financial objectives without actively managing the account(s).

b. HighTower may use a software tool to assist or generate the financial plan. HighTower will periodically evaluate the software tools to determine if they are still effective tools. HighTower will look to see if the assumptions and outputs being generated from the system are still in the best interests of the client.

B. REGULAR REPORTS PROVIDED TO CLIENTS

INVESTMENT MANAGEMENT SERVICES, MANAGED ACCOUNT PLATFORMS, AND WRAP PROGRAMS

HighTower will provide investment management clients with a quarterly performance report. This report is typically an account appraisal and may identify some or all of the following information: current positions, security cost basis and current market value, and capital contributions and withdrawals from the account. In addition, a summary performance analysis report, which shows the portfolio rate of return, will be provided for the most recent quarter and will also show the return from inception of the account. Taxable clients [may] receive a realized gain and loss report for tax purposes. These reports are fairly customizable to deliver what HighTower or the client deems pertinent. All reports are in addition to custodial statements and transaction confirmations received from the client's custodian; **they in no way replace the custodial statements**. These reports will often be provided electronically or presented in face-to-face meetings.

Additional reporting may also be provided by third-party money managers and the administrators of managed account platforms and wrap programs, depending on the particular third-party money manager, platform, or program selected. Any such additional reporting will be disclosed in the separate disclosure documents maintained by third-party money managers and the administrators to applicable platforms and programs.

FINANCIAL PLANNING

No on-going financial planning reports are provided for financial planning clients unless a financial plan update or additional services are requested. HighTower will update a plan as needed and when objectives or financial situation change.

ITEM 14 - REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received from Non-Client, Third-Parties for Providing Services to Clients.

Please see Item 12 of this Brochure above for further information on services and products HighTower may receive from non-clients, including the Firm's procedures for addressing conflicts of interest that arise from such practices.

HighTower policies prohibit our related persons from accepting any form of compensation, including cash, sales awards or other prizes, in conjunction with the advisory services we provide to our clients.

B. Compensation to Non-Supervised Persons for Client Referrals.

Hightower may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*), and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our Firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to HighTower by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of Firm practice, advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act, related SEC staff interpretations, and other applicable laws and regulations. In no event will such solicitation services include providing investment advisory services. The compensation paid by HighTower for these solicitation services is paid completely by HighTower from the management fees earned, which are not increased or passed through to the referred client in any way as a result of a third-party solicitor's involvement in the introduction.

HighTower may also receive client referrals from Custodians. Such referrals could present a potential conflict of interest as HighTower could have an incentive to direct brokerage to certain broker/dealers in order to continue receiving referrals. HighTower does not consider client referrals from broker/dealers when making brokerage allocation decisions.

C. THIRD PARTY MANAGERS AND HEDGE FUNDS

HighTower may have revenue-sharing arrangements with respect to certain third-party managed accounts and hedge funds recommended to advisory clients. No separate advisory fee is charged on such assets. However, HighTower may receive a percentage of the advisory fees (both hedge funds and managed accounts) and incentive allocations (hedge funds only).

Certain issuers may make payments from time to time as disclosed in offering documents to HighTower. HighTower receives a fee for certain assets placed with issuer. This is a conflict because it may favor HighTower to place assets with an issue in order to generate income for HighTower. HighTower mitigates this by crediting the corresponding client account the advisory fee for the portion related to their investment.

D. EVENT SPONSORSHIP

Periodically HighTower holds a partnership meetings or industry conferences which may be firm-only or include external attendees. These meetings provide sponsorship opportunities for our vendors and other third party providers. Sponsorship fees allow these companies access to our advisors and employees to discuss ideas, products or services. The sponsorship fees go to assist in the payment of the meeting or future meetings. This could be deemed a conflict, as HighTower may refer business to a certain vendor due to their attendance and sponsorship. HighTower attempts to mitigate the conflict by having the fees go towards only the meeting and not as revenue for the company. Sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement.

E. DUAL REGISTRATION

HighTower has individuals that are part of the HighTower Bellevue team that hold dual registration with HighTower and another Investment Adviser, Triad Wealth Stewardship. This relationship is due to the individuals transitioning their business from Triad to HighTower. This dual registration will only be for a defined period of time and will result in registration only with HighTower. When communicating with clients the individuals will make it clear if they are acting as HighTower or the other Investment Adviser. There are policies and procedures in place to make sure there is not any overcharging of client accounts.

ITEM 15 - CUSTODY

HighTower does not custody client funds and/or securities and acts in accordance of Adviser Act Rule 206(4)-2.

ITEM 16 - INVESTMENT DISCRETION

For many clients, HighTower has been contractually given investment discretionary authority (i.e., authority to act without first obtaining specific client consent to each investment transaction) to determine the securities to be bought or sold, and the amount of the securities to be bought or sold. This discretionary authority also allows HighTower to determine the third-party money manager to be used for client account(s) through its money management platform.

Clients may impose reasonable restrictions on this authority, (i.e., no defense stocks, no tobacco, etc.). All such restrictions shall be documented in writing. Clients may modify the imposed restrictions by providing the change to HighTower in writing. HighTower reserves the right to refuse to open an account or to terminate an account if it is believed, in HighTower's sole opinion, that the restrictions placed are excessive and would limit its abilities to manage the account effectively and prudently. Clients should also understand that the imposition of portfolio restrictions may affect performance of the affected portfolio(s), either positively or negatively.

Please see Item 4 of this Brochure for additional information regarding our advisory services generally, but specifically including our discretionary advisory services.

ITEM 17 - VOTING CLIENT SECURITIES

HighTower has express authority to vote proxies on behalf of clients in compliance Advisers Act Rule 206(4)-6, unless otherwise stated in the Client Advisory Agreement. Risk Metrics Group/Institutional Shareholder Services, Inc. ("ISS") has been engaged as an independent third party to vote proxies in order to mitigate risks involved with any conflicts of interest that might otherwise arise in the voting of client proxies. HighTower does not charge an additional fee for this service.

Proxies are assets of HighTower's advisory clients that must be voted with diligence, care, and loyalty. HighTower will vote each proxy in accordance with its fiduciary duty to its advisory clients. HighTower will seek to vote proxies in a way that maximizes the value of advisory clients' assets. However, HighTower will document and abide by any specific proxy voting instructions conveyed by an advisory client with respect to that advisory client's securities.

Absent specific advisory client instructions, HighTower has adopted the following proxy voting procedures designed to ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately:

- As part of the account opening process, HighTower and/or the Approved Custodian will code the account and notify ISS of accounts for which HighTower will vote proxies.
- If an advisory client gives specific proxy voting instructions, the advisory client must inform HighTower.
- If an advisory client declines to assign proxy-voting authority to HighTower during the account opening process, proxies will be sent to the address of record by default. If proxy materials are inadvertently received by HighTower, Hightower or designee will return the materials to the sender along with a statement that HighTower does not have authority to vote proxies for that advisory client and that future materials should not be sent to HighTower.
- Proxies received after an advisory client terminates its advisory relationship with HighTower will not be voted. HighTower or designee will promptly return such proxies to the sender, along with a statement indicating that HighTower's advisory relationship with the advisory client has terminated, and that future proxies should not be sent to HighTower.
- For accounts that HighTower is to vote proxies, all voting is done by ISS along the lines of their policies and procedures.
- ISS may refer proxies to HighTower to vote on. In these instances it is the responsibility of the specific Investment Advisor Representative of the corresponding account to vote the proxy how they deem prudent.

In most instances, proxies will be voted the same for all client accounts held by HighTower at our various custodians. The client's custodian will send proxy paperwork to ISS and the client will not receive copies. In the case of accounts managed by third party money managers, proxies will be voted by the third-party money manager

Class Actions

HighTower does not direct advisory clients' participation in class actions. HighTower shall forward any class action documentation inadvertently received to the appropriate advisory clients. These policies have been written and in place in accordance with Rule 206(4)-6 and HighTower acts in accordance with those procedures.

ITEM 18 - FINANCIAL INFORMATION

HighTower is not required to include a balance sheet for our most recent fiscal year end because we do not require or solicit more than \$1,200 in fees per client, six months or more in advance. In this Item, we are required to disclose that HighTower has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, HighTower has not been the subject of a bankruptcy petition during the past ten years.



HighTower Advisors, LLC
Wrap fee program Brochure
Form ADV Part IIA – Appendix 1

HighTower Advisors, LLC
200 W. Madison St., Suite 2500
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March 31, 2014

This wrap fee program brochure provides information about the qualifications and business practices of HighTower Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 312-962-3800 or compliance@hightoweradvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange commission or by any state securities authority. Registration as a registered investment adviser does not imply that a certain level of skill or training has been obtained.

Additional information about HighTower Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This "Summary of Material Changes" describes material changes made to the last annual updated filing of HighTower's ADV Part IIA – Appendix 1. The most recent updated filing of this Appendix was April 1, 2013. The material changes to this Appendix, dated March 31, 2014, are as follows:

- No Material Changes Noted

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ITEM 4 SERVICES, FEES AND COMPENSATION

HighTower Advisors, LLC ("HTA") is an investment advisory firm registered with the U.S. Securities and Exchange Commission ("SEC"), and a wholly-owned subsidiary of HighTower Holding, LLC. HighTower has a related registered broker-dealer, HighTower Securities, LLC ("HTS").

Clients may select from a variety of investment management services, including portfolio management (implemented by HTA, or an independent, third-party money manager ("Money Manager")), investment consulting, financial planning, and estate planning. HTA provides services to clients through individuals registered as investment adviser representatives, whom are referred to internally as "Financial Advisors". HTA's Financial Advisors may be specialists in areas such as wealth management, investment consulting, portfolio management, asset allocation, cash management/treasury services, financial planning, and/or estate planning.

If suitable, referrals to affiliated and unaffiliated Money Managers may be made through the approved managed account platforms and wrap programs that are discussed in this Appendix 1. These programs allow clients to obtain portfolio management services that typically have higher minimum account sizes outside of the program. The Money Managers selected under these programs will have discretion to determine the securities they will buy and sell within the account(s), subject to restrictions imposed by the client. The custodians chosen by the Money Manager do not have discretionary authority over assets included in the programs, although the Money Managers chosen will have this discretionary authority.

All Money Managers must be approved for use by HTA's Group Investment Solutions ("GIS") unless such power has been delegated to a third-party by HTA. Some or all of the initial and ongoing monitoring of Money Managers may be completed by approved third parties (e.g., Envestnet, Fidelity, JP Morgan Clearing Corp, Schwab or TD Ameritrade) for which the third parties' due diligence programs have been evaluated by HTA. GIS maintains a list of approved custodians, Money Managers, and programs. Prior to GIS approving a Money Manager to manage client assets, and on an annual basis thereafter, HTA typically completes the following tasks:

- Telephone interviews or onsite meetings with portfolio management personnel;
- Telephone interviews or onsite meetings with operational personnel;
- Analysis of the Money Manager's risk management capabilities;
- As applicable, review of the advisory contract or the private placement memorandum, operating agreement, and subscription agreement;
- Review of the due diligence questionnaire;
- Review of marketing materials;
- Internet and periodical searches regarding the adviser and its key employees;
- Review of regulatory filings, including Parts 1 and II of Form ADV;
- Review of any fund's audited financial statements;
- Review of the Money Manager's compliance policies and procedures; and
- If applicable, review of the most recent SEC deficiency letter sent to the Money Manager, as well as the Money Manager's response.

HTA's Financial Advisors are tasked with the ongoing review of Money Managers and are instructed to alert GIS if any issues are identified. GIS will meet as needed to discuss material changes to or problems with programs and Money Managers. The custodians may have the discretion to replace Money Managers within their platforms. HTA retains the right to replace (i.e., "hire or fire") Money Managers on all platforms for client accounts where the client has given discretionary authority to HTA.

This Form ADV, Appendix 1- Wrap Program Brochure is offered to potential and existing clients to provide an understanding of available programs and our potential conflicts of interest. Clients typically include high and ultra-high net worth families as well as individuals, businesses, pension and profit sharing plans, trusts, estates and charitable organizations, corporations or other business entities, and institutional clients.

Clients are advised that the same or similar programs or services as those described herein may be available from other investment advisors for an annual fee lesser or greater than set forth herein, and that the programs described in this brochure may cost the client more or less than purchasing the different services within each program separately depending upon such factors as trading activity, account size, portfolio management fees, mutual fund no-load or load charges, etc.

Financial Advisors and Money Managers will be reasonably available for consultation with clients regarding the management of their account. HTA will provide necessary financial information to the Money Manager including material changes as notified by the client as needed.

Certain client accounts may be managed on a non-discretionary basis in which case the client's Financial Advisor will purchase, sell or otherwise trade securities or other investments for the client's account only after the client has been notified of and approves the transaction. This approval may be verbal or written. Financial Advisors are responsible for the management and review of these types of client accounts on an ongoing basis. Additional periodic reviews are performed by the HTA Compliance Group. Performance numbers reported by independent Money Managers are not verified by HTA or its Financial Advisors.

Clients may need to complete a brokerage account application for their brokerage account at the custodian as well as an HTA Client Advisory Agreement. Some Money Managers may also require the completion of a client agreement between the Money Manager and the client.

1. AVAILABLE PROGRAMS

a. HighTower Advisors, LLC

- **Advisor Directed Program**

i. Program Description

This section describes the Advisor Directed Program, offered by HTA. Clients who wish to participate in the Advisor Directed Program will enter into a Client Advisory Agreement with HTA that sets forth the services that HTA will provide the client and the fee that the client will pay. The minimum amount of assets required to participate in the Advisor Directed Program is \$100,000, subject to negotiation. In addition, certain Money Managers may impose minimum account size requirements. Each client participating in the Advisor Directed Program enters into an agreement with JP Morgan Clearing Corp. ("JPMCC"), Fidelity, Schwab or TD Ameritrade ("Selected Custodians"), the clearing and custodial firms selected by HTA. HTA has an agreement with the Selected Custodians that sets forth the services that HTA will provide the client and the fee the client will pay. HTA also has agreements with the Money Managers chosen to participate in the Advisor Directed Program. The Selected Custodians provide execution, custody and administrative services to HTA. Securities and/or cash designated by the client for inclusion in the Advisor Directed Program are maintained in one or more brokerage accounts held at a Selected Custodian.

Clients in the Advisor Directed Program generally grant HTA authority to manage their accounts on a discretionary basis in accordance with the client's investment objectives, risk tolerance and investment time horizon, subject only to any reasonable restrictions that the client has provided to HTA in writing. The client's Financial Advisor will be responsible for making investment decisions for the account on HTA's behalf. Pursuant to this grant of discretion, clients authorize HTA to invest in securities and other investments of any nature whatsoever, at the time and in the manner that the Financial Advisor determines, and to act on the client's behalf in all other matters necessary or incidental to the handling of the account, without discussing these transactions or actions with the client in advance. The specific terms of the investment advisory relationship between each client, HTA and the Financial Advisor are set forth in the Client Advisory Agreement. In some cases, Financial Advisors may select discretionary Money Managers to manage the accounts. HTA may choose to replace a Money Manager should their performance not meet those of its peers, upon material changes to the Money Manager's executive or portfolio management team, or upon other circumstances determined by HTA not to be in the client's best interests. Each Financial Advisor manages his or her clients' Advisor Directed

Program accounts utilizing an individual investment style and strategy in accordance with each client's financial situation and investment objective for the Advisor Directed Program account. If a Money Manager is selected, its investment style and strategy will also be chosen in accordance with the client's financial situation and investment objective for the Advisor Directed Program Account.

Transactions in Advisor Directed Program accounts generally are executed through our affiliated broker-dealer, HTS, and its clearing firm, JPMCC., or through unaffiliated broker-dealers Schwab, Fidelity or TD Ameritrade. To be qualified by HTA to participate in the Program, Financial Advisors must satisfy certain eligibility criteria established by HTA. Money Managers must meet certain requirements as established by HTA and as determined through HTA's due diligence through GIS.

In connection with the Advisor Directed Program, Financial Advisors will collect information about the client's financial circumstances, which may include investment objectives, risk tolerance, and investment time horizon for the account (collectively "financial information"), and any reasonable restrictions that the client wishes to impose on the management of the account in writing. Clients are responsible for notifying HTA promptly, in writing, of any changes to the information provided to HTA and for providing HTA with additional information as HTA may request from time to time to assist it in providing services under the Advisor Directed Program. Clients are also responsible for providing to HTA in writing any investment policies or other guidelines applicable to the client's Advisor Directed Program account. Such investment policies and guidelines are subject to acceptance by HTA in its sole discretion. Any restrictions on the management of the Advisor Directed Program account imposed by the client or by such written investment policies or guidelines may cause HTA or the Money Manager to deviate from the investment decisions it otherwise would make in providing services under the Advisor Directed Program. HTA will have no liability for a client's failure to provide HTA with accurate or complete information or to inform HTA promptly of any change in the information previously provided.

Financial Advisors and Money Managers will be reasonably available for consultation with clients regarding the management of their account. HTA will provide necessary financial information to the Money Manager including material changes as notified by the client as needed.

Certain client accounts may be managed on a non-discretionary basis in which case the client's Financial Advisor will purchase, sell or otherwise trade securities or other investments for the client's account only after the client has been notified of and approves the transaction. This approval may be verbal or written. Financial Advisors are responsible for the management and review of these types of client accounts on an ongoing basis. Additional periodic reviews are performed by the HTA Compliance Group. Performance numbers reported by independent Money Managers are not verified by HTA or its Financial Advisors.

Clients may need to complete a brokerage account application for their brokerage account at the custodian as well as an HTA Client Advisory Agreement. Some Money Managers may also require the completion of a client agreement between the Money Manager and the client.

ii. Fee Schedule

Clients in the Advisor Directed Program pay a fee that covers, among other things, services provided by the custodian and services provided by applicable Money Manager(s) (a "program fee"). Clients also pay advisory fees to HTA for the services it provides. The program fee and the HTA advisory fee are bundled into one fee (the "Wrap Fee"). The Wrap Fee covers investment advisory services, execution of transactions through HTS or its affiliates, custody with Selected Custodians, and reporting.

Additional details on the Money Managers, their fees, program details, and management style, among other items, are included in the Money Manager's Form ADV, Part IIA.

a. Wrap Fee Accounts

For the services provided by HTA and as described in the Advisor Directed Program Agreement, select accounts in the Advisor Directed Program will be charged a Wrap Fee each calendar quarter in arrears, on the total net market value of the assets (based on the average daily balance) in all of the account(s) in the Advisor Directed Program (including all cash). The maximum Wrap Fee, expressed as an annual rate, that may be charged to new clients generally will not exceed 2.50% (250 basis points). Each HighTower advisory team negotiates fees directly with the client, with such fees dependent on among other things, the account/household size, the securities utilized, and the investment strategy employed.

b. Non Wrap Fee Accounts (Management Fee only)

In limited circumstances and if certain conditions are met, some clients may pay an unbundled advisory fee, separate brokerage commissions and transaction charges. The advisory fee is charged at the rate of up to 2.00% per annum of net assets in the Advisor Directed Program account. The advisory fee covers the investment advisory services provided by HTA, but does not cover transaction costs, including brokerage commissions, "markups", "mark downs", "dealer spreads", or other charges resulting from transactions effected through a Selected Custodian, its affiliates, or any other broker-dealer.

iii. General Fee Issues

The following disclosures are applicable to all accounts in the Advisor Directed Program. HTA, in its discretion, may negotiate the fee (and the rate of any other fees charged by HTA for services not covered by the Wrap Fee) in appropriate circumstances, based on a number of factors including, but not limited to, the type and size of the account, the size or number of trades anticipated to be executed for the account, services provided to the account, the client's other accounts with HTA, and the accounts of the client's family with HTA. The fees charged may be higher or lower than the fees that HTA charges other clients in this or other programs; and may be higher or lower than the cost of similar services offered through other financial firms. The account may be subject to a minimum fee specified in the Client Advisory Agreement.

Transaction charges for transactions effected through HTS or JPMCC may be negotiated and generally will be less than the HTS standard retail brokerage charges and commission rates. These transaction charges may be higher or lower than charges or commissions that clients might pay if the transactions were executed at other broker-dealers. If JPMCC is the custodian of the account, and the client is responsible for paying transaction costs, JPMCC will debit all transaction charges directly from the account. Fees debited from the account(s) will appear on statements received from Selected Custodians. Clients are encouraged to verify the fees charged.

For accounts owned by retirement plans subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA ") or retirement plans for self employed individuals subject to comparable provisions of the Internal Revenue Code of 1986 and managed by a HTA Financial Advisor (and not a Money Manager), HTA will rely on and operate in accordance with U.S. Department of Labor Prohibited Transaction Exemption 86 128 ("PTE 86 128"). By relying on PTE 86 128, HTA may serve as a fiduciary to such retirement plans and receive separate brokerage commissions and transaction charges in connection with effecting securities transactions for those plans. One of the conditions of PTE 86 128 is that a plan's authorizing fiduciary be provided with a copy of PTE 86 128, a form providing an election to terminate the plan fiduciary's previously granted authorization to effect transactions in the account, and instructions on the use of the form. In compliance with this condition, a copy of PTE 86 128 and a form termination letter shall be provided under separate cover.

In connection with the Advisor Directed Program, Financial Advisors or Money Managers may utilize an investment strategy that generally seeks investments that are long term in nature with a buy and hold bias. Due to the nature of these strategies, investments in accounts could incur low turnover. However, the client continues to pay the Wrap Fee regardless of the number of transactions incurred in the account. Client should also be aware that services similar or comparable to those provided to them might be available to the client at a lower aggregate cost elsewhere on an "unbundled" basis.

The Wrap Fee does not cover brokerage commissions or other charges resulting from transactions not effected through HTA or its affiliates, nor does it cover custody services provided by any third-party custodian. The Wrap Fee does not cover certain costs or charges that may be imposed by HTA or third parties, including, but not limited to, costs associated with exchanging foreign currencies, odd lot differentials, activity assessment fees, transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. The Wrap Fee does not cover "mark-ups" or "mark-downs" that broker-dealers, other than JPMCC, may receive or "dealer spreads" that other broker-dealers may receive when acting as principal in certain transactions. The Wrap Fee also does not cover the annual fee that Selected Custodians charge Individual Retirement Accounts ("IRA accounts) or certain other retirement plans. Costs associated with using margin are not covered in the Wrap Fee and may result in additional compensation to HTA and the Financial Advisor representative. As such, Financial Advisors are subject to a potential conflict of interest in recommending that Advisory Clients open margin accounts and maintain debit balances where HTS serves as the introducing broker-dealer.

The Financial Advisor or the Money Manager may invest account assets in open-end mutual funds (including money market funds), closed-end funds, exchange traded funds ("ETFs"), and other collective investment vehicles that have various internal fees and expenses, which are paid by such funds but which are ultimately borne by the client as an investor. HTA and/or its affiliates may provide services to and receive compensation in connection with these mutual funds. For example, HTA may benefit indirectly from the sales charges imposed by mutual funds through HTS. The fee that the custodian pays HighTower Securities might represent a significant amount of that custodian's mutual fund service fees. The fee is in recognition of certain shareholder servicing that registered representative affiliate(s) of HighTower Securities perform in respect of those assets. Those shareholder servicing fees are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to its clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Because the affiliate(s) of HighTower Securities receive an economic benefit, HighTower Advisors has a potential conflict of interest in recommending to clients that they use a specific custodian and invest their assets in certain mutual funds. These fees will not always be used to offset HighTower's fees, although in some cases clients' quarterly fee may be lower because of the receipt of the Shareholders Services fees. The possibility of this compensation creates an incentive for an Investment Advisor to make decisions for the clients which would have the effect of increasing this compensation. Fees debited from the Advisor Directed Program account(s) will appear on statements received from JPMCC. Clients are encouraged to verify the fees charged.

Besides general equities and fixed income securities, Financial Advisors and Money Managers may employ strategies that utilize the following types of investments: (i) American Depositary Receipts ("ADRs"), which are receipts issued by a U.S. bank or trust company that evidence ownership of non U.S. securities and are traded on a U.S. exchange or in the over the counter market; (ii) Global Depositary Receipts ("GDRs"), which are receipts issued generally by a non U.S. bank or trust company that evidence ownership of non U.S. securities; (iii) World Equity Benchmark Shares ("WEBS"), which are shares of Foreign Fund, Inc., an open end investment company organized in series, each of which invests primarily in non U.S. common stocks in an effort to track the performance of a specified foreign country equity market index compiled by Morgan Stanley Capital International ("MSCI"); or (iv) closed end investment companies that invest a substantial portion of their assets in the securities of specified foreign countries ("closed end country funds"). Clients will bear, in addition to the Wrap Fee, a proportionate share of any fees and expenses associated with ADRs, GDRs, WEBS and REITs, if applicable, in which account assets are invested, and may also bear any fees and expense associated with converting non U.S. securities into ADRs or GDRs, if applicable.

A portion of the Wrap Fee is paid to the Financial Advisor. In addition, in their roles as registered representatives of HTS, certain Financial Advisors may receive production-based bonuses that take into account revenues from brokerage-related services provided by HTS and/or a portion of the commissions paid by clients with non wrap fee accounts in connection with transactions for their accounts. The Financial Advisor receives compensation as a result of the client's participation in the Advisor Directed Program, and the amount of this compensation may be more or less than what the Financial Advisor would receive if the client participated in other HTA or affiliate's programs or paid separately for

investment advice, brokerage, and other services. The Financial Advisor may have a financial incentive to recommend the Advisor Directed Program over other HTA or affiliate's programs and services.

iv. Fee Calculations and Withdrawals

The Wrap Fee is an agreed upon annual fee that will be payable quarterly in arrears. HTA will calculate the initial fee as of the date it accepts the Advisory Directed Program Agreement, the effective date. The initial fee will cover the period from the effective date until the last day of the initial calendar quarter. Billing for the quarter will be in arrears or advance, and based on the average daily balance and the number of days assets are in the Account(s), or for the billing period ending balance. Your client advisory agreement will indicate the billing methodology applied to your account. The quarterly fee will become due on the first business day of the following calendar quarter, and will be deducted from the account shortly thereafter, unless otherwise instructed by the client and in accordance with applicable law. HTA will not be responsible for managing any account before its effective date. Any transactions executed in an account before its effective date will be executed by HTS in its capacity as broker-dealer only and will be subject to HTS' customary brokerage fees or commissions. Institutional money market funds will not be included in the account value when calculating the "average daily balance" but "sweep" money market funds balances will be included.

The fees charged will be based upon the agreed upon fee rate and will not be affected by the services the client receives or the number of transactions actually executed during a quarter; however, such factors may be taken into account in negotiating new fee rates.

Clients may make additions into an account at any time, subject to HTA's right to terminate the account. Additions may be in cash or marketable securities of any kind, provided that HTA and the Selected Custodian reserve the right to decline to accept particular securities into the account or impose a waiting period before certain securities may be deposited. Fee adjustments will generally not be made for client accounts with a custodian other than Selected Custodians unless specifically agreed to by HTA in writing.

When opening a Program account, clients generally will authorize HTA to deduct the fee and all other applicable charges from the account on or following the date they are payable. Clients are responsible for ensuring that the amount of any debit is correct. Selected Custodians may withhold any tax to the extent required by laws, and may remit such taxes to the appropriate government authority. In appropriate circumstances, clients may instruct HTA to deduct the Fee and other expenses from another account that the client has at HTA or to deduct the fees due with respect to another account that the client has at HTA from the Advisor Directed Program account. Clients also may elect to be billed for fees and expenses with respect to certain accounts.

The client may designate certain securities as "Excluded Securities" in an addendum to the Client Advisory Agreement. Excluded Securities are held in the Advisor Directed Program account with the consent of HTA, but they are not part of the portfolio managed by HTA. HTA will thus not be obligated to provide any advice with respect to Excluded Securities and the risks presented by the Excluded Securities. Excluded Securities are not included in fee calculations. Transactions in Excluded Securities will be subject to commissions and other transactions charges that may or may not be discounted from standard rates. Excluded Securities will be considered brokerage assets and not advisory assets and as a consequence, a client's rights and HTA's duties and obligations to the client may differ, including the scope of HTA's fiduciary obligations. Excluded Securities are subject to acceptance by the Money Manager (if applicable).

HTA is not compensated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of any client.

v. Execution of Transactions

In the Client Advisory Agreement, clients generally authorize and direct HTA and its Financial Advisors and in turn, the Money Managers, to execute transactions for their accounts. Transactions in the account may be effected through HTS and the Qualified Custodian of choice, unless otherwise required by applicable law. When a transaction is executed

through the Client's Qualified Custodian the Custodian will be entirely responsible for the execution and clearance of the transaction. By recommending the Advisor Directed Program, HTA may be recommending HTS as its affiliated broker-dealer. Clients should understand that this directed brokerage arrangement may cause the client to forego any savings on execution costs that HTA otherwise might be able to negotiate with different broker-dealers, other than HTS, such as reduced execution costs that may result from utilizing alternative trading services. Clients are encouraged to consider the possible costs and disadvantages of such directed brokerage arrangements.

All transactions are subject to any HTA internal policies or procedures. In no event is HTA obligated to effect any transaction for an account that HTA believes would violate applicable federal or state law or the regulations of any regulatory or self regulatory body or would otherwise present an unacceptable risk to HTA.

Riskless Principal Transactions: For accounts in the Advisor Directed Program, if HTS executes a riskless principal transaction as agent through an unaffiliated dealer, HTS will not receive commission or other compensation in connection with the trade.

b. Envestnet Asset Management, Inc.

Envestnet is an investment management firm providing investment management and advisory services through independent Money Managers. Envestnet provides HTA the ability to use the Fidelity custodial platform, or other custodial platforms, with the Money Managers established on the Envestnet platform. Envestnet performs the initial and ongoing due diligence on Money Managers and provides other "back-office" operations needed for this type of program. Envestnet reserves the right to hire and fire Money Managers as it deems appropriate.

- **Managed Account Resources Program ("MAR Program")**

A complete description of the MAR Program can be found in the Envestnet Appendix 1, provided under separate cover.

Under the MAR Program no separate advisory agreement is required between the client and Envestnet or the Money Manager. HTA clients will only sign an advisory agreement with HTA.

The MAR Program enables HTA to choose from a selection of advisory programs and related services as described in Envestnet's Form IIA – Appendix 1. The MAR Program and any of the services that are part of the MAR Program may be modified or terminated by HTA, Envestnet or Fidelity upon reasonable notice. The following programs are offered as part of the MAR Program.

- **Manager Resource Network Program ("MRN Program")**

Envestnet has established relationships with various Money Managers to make the services of such Money Managers available to HTA and its clients as part of the Manager Resource Network Program. Envestnet will identify such Money Managers and provide HTA's clients with the ability to access private money management services of one or more of the Money Managers directly using a separately managed account for each Money Manager. HTA has no obligation to use any Money Manager selected by Envestnet; nor do the clients of HTA. Much of the research, evaluation, and selection of Money Managers are done by Envestnet. HTA is responsible for determining that it has sufficient information about a Money Manager before choosing it to provide services to clients. HTA may do separate due diligence on Money Managers or rely on Envestnet's research.

HTA has the ability to choose the Money Managers appropriate for managing clients' account(s) in the Envestnet programs. In addition, HTA will have full discretionary authority to hire and fire Money Managers on clients' behalf.

Money Managers are matched to each client's suitability and asset allocation recommendations and then chosen. In some cases, the client may review more than one Money Manager and make a selection together with HTA. In all cases, HTA may initiate or terminate relationships with the Money Managers based on a change in the client's

circumstances; a significant change in the overall Money Manager's performance or management of its accounts; a significant change in the personnel of the Money Manager; negative news about the Money Manager and/or its key employees; a regulatory or legal investigation or action against the Money Manager and/or its key employees; significant market or economic news that may have an impact on client accounts; or other reasons determined by HTA to be in the client's best interests.

- **Mutual Fund Wrap Program**

HTA and its clients will have access to Envestnet's proprietary mutual fund wrap programs through the MAR Program. The programs are made available to us by outside custodians and/or managers that have developed a method for screening and selecting mutual funds by performance and risk characteristics, asset class, minimum fund size, inception date, manager tenure, load fees and security holdings. The information obtained by HTA from a client may be used to choose a platform and program that fit that client's needs and objectives.

- **Fidelity SAN Program ("SAN Program")**

Clients should be advised that Fidelity also offers a Separate Account Network program ("SAN Program"). Money Managers in the SAN Program are different than those available via the MAR Program and HTA is responsible for performing due diligence on such Money Managers and programs as well as negotiating pricing.

Some managers under the SAN program may require an additional client advisory agreement with you in addition to the agreement you sign with HTA.

For a complete description of the services offered, the programs and the fees charged, please refer to the separate disclosure brochure (such as Part IIA of Form ADV) maintained by the Money Manager as provided by your Financial Advisor.

- i. Fee Schedule

Under the programs offered by Envestnet and Fidelity SAN program, client will pay a wrap fee inclusive of HTA's advisory fee and the relevant program fee charged by the custodian and/or the Money Managers. There are no separate commissions or transaction costs charged to the client. These are what are commonly referred to as "wrap programs." In all cases, you should read the separate disclosure document of the Money Manager for complete details on the charges and fees you will incur.

If there is insufficient cash in the account(s) at the time the fee is to be debited from the account(s), the Money Manager or HTA may sell assets in the account(s) to generate sufficient cash to pay the fee, which may create a taxable gain or loss. If assets are illiquid and HTA or the Money Manager determines that the sale is not feasible, HTA will send the client an invoice for the fee for the quarter. Clients must pay this invoice within ten (10) days of receipt.

The standard wrap fee schedule charged by HTA for Envestnet generally will not exceed 2.5% (250 basis points). Each HighTower advisory team negotiates fees directly with the client, with such fees dependent on among other things, the account/household size, the securities utilized, and the investment strategy employed.

Fees are calculated quarterly in arrears or advance; thus the annual fee is divided by four. The Wrap Fee will typically range from 0.20% to 2.50% based on the complexity of a client's needs, the product chosen, and frequency and types of reporting, among other factors. Clients are encouraged to verify the fees that are charged. Fees are calculated on a per account basis. Your client advisory agreement will indicate the billing method utilized for your account.

- ii. Fee Calculation and Withdrawals

To ensure clients are billed fairly for the assets they have under management or supervision with HTA, fees will be based on the average daily balance in client account(s) during a quarter. HTA uses two billing vendors, Black Diamond and Tamarac, to as determined fee amounts based on the average daily balance.. Black Diamond and Tamarac generally relies on the prices provided directly to it by account custodians. Custodians, in turn, generally rely on prices provided by reputable, independent third parties. The custodian and our vendors may value assets using a slightly different method (e.g., trade date versus settle date). Therefore, the account statement sent by custodians may differ from the vendor statement sent by HTA. Clients are encouraged to compare the statements received from custodians with the vendor performance statement.

Black Diamond and Tamarac may be unable to price certain securities or may assign prices that do not reflect current market conditions. In the normal course of providing investment advisory services to clients, Financial Advisors will continually assess the prices assigned by Black Diamond, custodians, and other sources. If deemed necessary, and on a case-by-case basis, HTA will fair value account holdings that are assigned a stale or inaccurate price by Black Diamond, Tamarac, custodians, and/or other sources.

iii. Fee Related Issues

The cost of investment advisory services provided through the Envestnet Programs may be more or less than the cost of purchasing similar services separately. Among other factors impacting the relative cost of the program to a particular client include the size of the account; the type of account (i.e., equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected.

Although HTA's Financial Advisors generally recommend and purchase only no-load or load-waived mutual funds for client advisory accounts, some funds may impose an initial or deferred sales charge. Clients may also own some of these funds when they transfer the account(s) to HTA. HTA may benefit indirectly from the sales charges imposed by mutual funds through its registered broker-dealer, HTS.

The Financial Advisor or the Money Manager may invest account assets in open-end mutual funds (including money market funds), closed-end funds, ETFs, and other collective investment vehicles that have various internal fees and expenses, which are paid by such funds but which are ultimately borne by the client as an investor. HTA and/or its affiliates may provide services to and receive compensation in connection with these mutual funds. For example, HTA may benefit indirectly from the sales charges imposed by mutual funds through HTS.

The fee that the custodian pays HighTower Securities might represent a significant amount of that custodian's mutual fund service fees. The fee is in recognition of certain shareholder servicing that registered representative affiliate(s) of HighTower Securities perform in respect of those assets. Those shareholder servicing fees are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to its clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Because the affiliate(s) of HighTower Securities receive an economic benefit, HighTower Advisors has a potential conflict of interest in recommending to clients that they use a specific custodian and invest their assets in certain mutual funds. These fees will not always be used to offset HighTower's fees, although in some cases clients' quarterly fee may be lower because of the receipt of the Shareholders Services fees. The possibility of this compensation creates an incentive for an Investment Advisor to make decisions for the clients which would have the effect of increasing this compensation. Fees debited from MAR Program account(s) will appear on statements received from the custodian. Clients are encouraged to verify the fees charged.

For a number of discretionary client accounts, we currently have the discretionary authority to pick a non-related broker (other than your current custodian) to execute a fixed income trade. Each trade placed at a broker-dealer other than your selected custodian costs up to \$25.00, which is charged by the custodian to settle the trade. This is in addition to any mark-up or mark-down that may be paid to the broker-dealer we select to buy or sell the security. Clients are advised that fees charged by broker-dealers other than your custodian will be charged to your account in addition to the Wrap Fee discussed above.

iv. Execution of Transactions

Clients who participate in the programs offered by Envestnet generally authorize and direct HTA, its Financial Advisors, and Money Managers to execute transactions for their accounts. Transactions in the account will typically be effected through the custodian with which the account is held. When a transaction is executed through a broker-dealer other than those custodians, the other broker-dealer will be entirely responsible for the execution and clearance of the transaction. Clients should understand that when a program recommends a particular broker-dealer through a directed brokerage arrangement, it may cause the client to forego any savings on execution costs that the Money Manager may otherwise be able to negotiate with different broker-dealers such as reduced execution costs that may result from utilizing alternative trading services. Clients are encouraged to consider the possible costs and disadvantages of such directed brokerage arrangements.

c. Charles Schwab & Co.

HTA has a relationship with the Institutional division of Schwab, a registered broker-dealer and Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab will provide custody and execution services in accordance with the terms set forth in its custodial agreement. HTA's clients have the ability to participate in the following programs offered by Schwab: Managed Account Select Program, Managed Account Access Program, and Managed Account Marketplace. A description of the "Schwab Programs" is below.

- **Schwab Managed Account Select Program**

Under this program, research on the Money Managers and their investment strategies are done by Schwab's Center for Financial Research (a division of Schwab) and provided to HTA. HTA then helps clients decide whether the Select program and any of the Money Managers are suitable for them. The program bundles research, Schwab's brokerage, custodial and client reporting fees under a single, all-inclusive fee.

Access to managers in this program is typically offered at the following account levels (although some money managers may have a higher account minimum): \$100,000 for equity strategies and \$250,000 for fixed income strategies. Schwab Select Program fees include the money manager fee, Schwab's administrative service and Schwab's brokerage/clearing/custodial services (but not trading costs for other brokers used by Money Managers in the program). The exact fee imposed includes a monthly minimum fee of \$100 for equity accounts and \$130 for fixed income accounts. Additional fee disclosures are provided below.

Performance reporting and client billing are provided by Schwab under the Select Program. HTA will also provide clients with a quarterly performance report from Black Diamond and/or Tamarac. Clients are encouraged to compare performance reports to custodial statements for accuracy.

- **Schwab Managed Account Access Program**

Under this program, HTA may offer our clients a selection of different Money Managers than under the Schwab Select Program. HTA performs all monitoring and on-going due diligence of the Money Managers in the Access Program. Schwab will provide performance reporting to clients of HTA that are enrolled in the Schwab Access Program. The program fee includes the Money Manager fee, Schwab's administrative services and Schwab's brokerage/clearing/custodial services (but not trading costs for other brokers used by Money Managers in the program).

- **Schwab Managed Account Marketplace**

i. Program Description

This is not a "program", but rather a managed account platform provided by Schwab, and it is substantially different from the Schwab Select and Schwab Access programs. In Schwab's Marketplace, there is no option for "householding" your accounts for fee discounts. The services provided are "unbundled," meaning fees for Schwab's execution and custodial services are not combined with the Money Manager fees, which are negotiated with the individual Money Manager by HTA on behalf of the client and are based on the total assets under management and the type of management services (equity or fixed income) provided. Schwab is not involved in the fee negotiations with the Money Manager. In some instances when a client uses Marketplace, HTA pays Schwab's execution costs in the form of an asset-based fee. Fees charged to the client may range from .15% to .03%, plus the cost of the specific Money Manager hired.

Schwab does not provide any research on Money Managers available under this platform. However, some of the Money Managers available under this program are also available under Schwab's Select Program. Select Program Money Manager research is available to any other investment adviser participant on the Schwab platform, and therefore that research may be used for any Managed Account Marketplace client.

HTA will provide Marketplace clients a quarterly Black Diamond and /or Tamarac performance report, as Schwab does not provide client reporting for any Marketplace advisor under the Marketplace Program. Schwab will provide custodial statements for Marketplace clients on at least a quarterly basis. Clients are encouraged to review and compare the custodial statements provided by Schwab and the Black Diamond/Tamarac performance report provided by HTA.

ii. Fee Schedule

Under the Select and Access programs offered by Schwab, clients pay a single fee inclusive of HTA's fee as well as Schwab's administrative service fee and brokerage/clearing/custodial services (but not trading costs for other brokers used by Money Managers in the program).

If there is insufficient cash in the account(s) at the time the fee is to be debited from the account(s), the Money Manager or Schwab may sell an amount of assets in the account(s) to generate sufficient cash to pay the fee, which may create a taxable gain or loss. If assets are illiquid and HTA or the Money Manager determines that the sale is not feasible, HTA will send the client an invoice for the fee for the quarter. Clients must pay this invoice within ten (10) days of receipt.

The standard fees charged by HTA generally do not exceed 2.5% (250 basis points). Each HighTower advisory team negotiates fees directly with the client, with such fees dependent on among other things, the account/household size, the securities utilized, and the investment strategy employed.

Fees are calculated quarterly; thus the annual fee is divided by four. The HTA fee will typically be based on the complexity of your needs; the product chosen; and frequency and types of reporting; among other factors. Clients are encouraged to verify the fees that are charged.

iii. Fee Calculation and Withdrawals

Depending on the Schwab Program, Schwab or HTA may be responsible for collecting fees. To ensure clients are billed fairly for the assets they have under management or supervision with HTA, fees will be based on the average daily balance in client account(s) during a quarter, as determined by Schwab, Black Diamond or Tamarac. Black Diamond and Tamarac generally relies on the prices provided directly to it by account custodians. Custodians, in turn, generally rely on prices provided by reputable, independent third parties. The custodian and Black Diamond/Tamarac may value assets using a slightly different method (e.g., trade date versus settle date). Therefore, in the event HTA bills the account, the account statement sent by Schwab may differ from the Black Diamond or Tamarac statement sent by HTA. Clients are encouraged to compare the statements received from custodians with the Black Diamond/Tamarac performance statement.

Black Diamond and Tamarac may be unable to price certain securities or may assign prices that do not reflect current market conditions. In the normal course of providing investment advisory services to clients, Financial Advisors will continually assess the prices assigned by Black Diamond, Tamarac, custodians, and other sources. If deemed

necessary, and on a case-by-case basis, HTA will fair value account holdings that are assigned a stale or inaccurate price by Black Diamond, Tamarac, custodians, and/or other sources.

Fees will be invoiced in arrears for all quarters.

iv. Fee Related Issues

The cost of investment advisory services provided through the Schwab Programs may be more or less than the cost of purchasing similar services separately. Among other factors impacting the relative cost of the program to a particular client include the size of the account; the type of account (i.e., equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected.

It is possible for a client to use the Managed Account Marketplace and receive the same research services (for Money Managers that are also in Select), for a lower fee than available under the Select Program. The bundled fees charged for the Select Program are typically higher than the "unbundled fees" in the Managed Account Marketplace

The Financial Advisor or the Money Manager may invest account assets in open-end mutual funds (including money market funds), closed-end funds, ETFs, and other collective investment vehicles that have various internal fees and expenses, which are paid by such funds but which are ultimately borne by the client as an investor. Although HTA's Financial Advisors generally recommend and purchase only no-load or load-waived mutual funds for client advisory accounts, some funds may impose an initial or deferred sales charge. Clients may also own some of these funds when they transfer the account(s) to HTA. HTA and/or its affiliates may provide services to and receive compensation in connection with these mutual funds. For example, HTA may benefit indirectly from the sales charges imposed by mutual funds through HTS.

The fee that the custodian pays HighTower Securities might represent a significant amount of that custodian's mutual fund service fees. The fee is in recognition of certain shareholder servicing that registered representative affiliate(s) of HighTower Securities perform in respect of those assets. Those shareholder servicing fees are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to its clients whose assets are invested in those mutual funds, which typically range from 5 basis points to 50 basis points depending on the mutual fund purchased. Because the affiliate(s) of HighTower Securities receive an economic benefit, HighTower Advisors has a potential conflict of interest in recommending to clients that they use a specific custodian and invest their assets in certain mutual funds. These fees will not always be used to offset HighTower's fees, although in some cases clients' quarterly fee may be lower because of the receipt of the Shareholders Services fees. The possibility of this compensation creates an incentive for an Investment Advisor to make decisions for the clients which would have the effect of increasing this compensation.

Fees debited from Schwab Program account(s) will appear on statements received from the custodian. Clients are encouraged to verify the fees charged.

Clients may also maintain transaction-based accounts with Schwab whereby the client pays one fee to HTA and HTA's Financial Advisors are responsible for paying transaction fees for trades executed through Schwab. To the extent a client account at Schwab is based upon transactional based pricing rather than the participation in a wrap fee program sponsored or administered by Schwab, there may be a disincentive for HTA to effect securities trades in the client account in as much as HTA will then be required to pay the transaction/execution costs associated with such trades directly to Schwab.

v. Execution of Transactions

Clients who participate in the programs offered by Schwab generally authorize and direct HTA, its Financial Advisors, and Money Managers to execute transactions for their accounts. Transactions in the account will typically be effected through Schwab. When a transaction is executed through a broker-dealer other than Schwab, the other broker-dealer

will be entirely responsible for the execution and clearance of the transaction. Clients should understand that when a program recommends a particular broker-dealer through a directed brokerage arrangement, it may cause the client to forego any savings on execution costs that the Money Manager may otherwise be able to negotiate with different broker-dealers such as reduced execution costs that may result from utilizing alternative trading services. Clients are encouraged to consider the possible costs and disadvantages of such directed brokerage arrangements.

d. J.P. Morgan Clearing Corp ("JPMCC").

HTA maintains a relationship with JPMCC that sets forth the terms and conditions on which HTA and its clients may participate in programs offered by JPMCC. HTA may assist clients with the selection of Money Managers for their account based on the client's financial circumstances, investment objectives, risk tolerance, and investment time horizon. Money Managers will maintain discretionary authority over the client account.

JP Morgan has the ability to hire and fire Money Managers for its programs. As such, HTA may rely on JPMCC to conduct initial and ongoing due diligence of Money Managers. HTA has the ability to choose the Money Managers appropriate for managing clients' account(s) from those made available through the JPMCC programs. In addition, HTA may have full discretionary authority to hire and fire Money Managers on the clients' behalf.

Money Managers are matched to the client's suitability and asset allocation recommendations and then chosen. In some cases, the client may review more than one Money Manager and make a selection together with HTA. In all cases, HTA or JPMCC may initiate or terminate relationships with the Money Managers based on a change in the client's circumstances; a significant change in the overall Money Manager's performance or management of its accounts; a significant change in the personnel of the Money Manager; negative news about the Money Manager and/or its key employees; a regulatory or legal investigation or action against the Money Manager and/or its key employees; significant market or economic news that may have an impact on client accounts; or other reasons determined by HTA to be in the client's best interests.

- **Managed Account EDGE Program ("MAE Program")**

JPMCC offers the MAE Program. The MAE Program is designed to allow Financial Advisors to assist their clients in selecting discretionary Money Managers. As described in more detail below, JPMCC and its affiliates maintain a list of Money Managers who have agreed to be available through the Program and provide execution, custody, and administrative services. Securities and/or cash designated by clients for inclusion in the MAE Program are maintained in one or more brokerage accounts held at JPMCC.

Each client participating in the MAE Program enters into an agreement with JPMCC and HTA ("MAE Program Agreement"). Clients are also required to complete all brokerage account documents necessary to open accounts.

- **Manager Circuit Program**

i. Program Description

Clients may open brokerage accounts with JPMCC outside of the MAE Program via the Manager Circuit Program. As part of the Manager Circuit Program, JPMCC provides HTA with a list of Money Managers that it recommends as part of the program (the "Manager Circuit List"). JPMCC selects the Money Managers to be included on the Manager Circuit List and retains the right to add or remove Money Managers from the Manager Circuit List. JPMCC does not provide any advisory services with respect to the Manager Circuit List. HTA may assist clients with selecting Money Managers from the Manager Circuit List to execute transactions on behalf of clients.

i. Fee Schedule

Clients in the MAE and MC Programs pay a program fee that covers services provided by JPMCC and services provided by applicable Money Manager(s). Clients also pay fees to HTA for the services they provide via an advisory fee. Client payment of the program fee and advisory fee is bundled into one Wrap Fee, and covers investment advisory services, execution of transactions through HTA or its affiliates, custody with JPMCC, and reporting. In limited circumstances and if certain conditions are met, some clients may pay an unbundled advisory fee plus separate brokerage commissions and transaction charges.

Please refer to the Fee Schedule subsection of the HTA's Advisor Directed Program section of this brochure for a description of the relevant Wrap Fee, the fee calculation methodology, and fee related issues.

Additional details on the fees, program details and management style among other items for the Manager Circuit Program and MAE Program are included in the JPMCCMAE Appendix 1, and each respective Money Manager's Part IIA of Form ADV.

ii. Execution of Transactions

In the MAE Program Agreement and Manager Circuit Program Agreement, clients generally authorize and direct HTA and the Money Managers selected by Financial Advisors to execute transactions for their accounts. Transactions in the account will be effected through HTS and its relationship with JPMCC unless otherwise required by applicable law. When a transaction is executed through a broker-dealer other than JPMCC or its affiliates, the other broker-dealer will be entirely responsible for the execution and clearance of the transaction. By recommending the Program, HTA also is recommending itself and HTS as its affiliated broker-dealer. Clients should understand that this directed brokerage arrangement may cause the client to forego any savings on execution costs that HTA otherwise might be able to negotiate with different broker-dealers, other than HTS, such as reduced execution costs that may result from utilizing alternative trading services. Clients may wish to consider the possible costs and disadvantages of such directed brokerage arrangements.

All transactions are subject to any HTA internal policies or procedures. In no event is HTA obligated to effect any transaction for an account that HTA believes would violate applicable federal or state law or the regulations of any regulatory or self regulatory body or would otherwise present an unacceptable risk to HTA.

Riskless Principal Transactions: For the accounts offered by JPMCC, if HTS executes a riskless principal transaction as agent through an unaffiliated dealer, HTS will not receive commission or other compensation in connection with the trade.

ADDITIONAL FEES

HighTower has entered into an arrangement with Oppenheimer under which HighTower may receive certain services. These services are made available to HTA on an unsolicited basis, and without regard to the volume of business directed to Oppenheimer. Factors, which HighTower considered in implementing this relationship with Oppenheimer, include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by *Oppenheimer* may be higher or lower than those charged by other broker-dealers.

HighTower shall comply with its duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where HighTower determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while HighTower will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

In addition, HTA may receive certain products and services from broker/dealers that are customary in the course of an institutional brokerage relationship. To the best of HighTower's knowledge, these services are generally made available to all institutional investment advisers doing business with these broker/dealers. These bundled services are made available to HighTower on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business directed to these broker/dealers. Since these products and services are merely made available by broker/dealers as part of a bundled business package to HighTower, HighTower does not consider products and services received in this context to be "soft dollars".

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Clients participating in the Advisor Directed Program may include endowments, foundations, retirement plans, corporations, individuals, and other entities.

Clients participating in programs offered by Envestnet may include endowments, foundations, retirement plans, corporations, individuals, and other entities. The minimum account size for programs offered by Envestnet is \$100,000, but is negotiable.

The minimum account size to participate in a Schwab Program is \$100,000, but is negotiable.

The minimum amount of assets required to participate in the programs offered by JPMCC is \$100,000, subject to negotiation. In addition, certain Money Managers may impose minimum account size requirements. Clients participating in the JPMCC programs may include individuals, trusts, estates, charitable organizations, retirement plans, banks, thrift institutions, corporations, and other business entities.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

The selection of Portfolio Managers' normally starts with a request or need. If a financial advisor wants to invest with a certain manager they need to be approved first.

All portfolio managers are approved by one of the following:

- Group Investment Solutions ("GIS")
- Envestnet
- CAIS
- Custodian (Schwab, Fidelity, JPMCC, RBC or BNY Mellon)

HighTower relies on Envestnet, CAIS and the custodians for the first approval of all portfolio managers. If a money manager is not approved by the above, HighTower's GIS will do their own due diligence on the manager.

We do not approve portfolio managers on performance alone. HighTower looks at many factors of a portfolio manager before approval.

- Operational functionality
- Safety of client assets
- Investment Review
 - Infrastructure
 - Portfolio Manager capabilities
 - Track Record

Once all these areas have been reviewed GIS makes the determination whether to approve the manager or not based on the results of the reviews. HighTower does not have a uniform and consistent basis to calculate performance.

RELATED PERSONS AS PORTFOLIO MANAGERS

No related person is a portfolio manager of one of wrap fee programs described above. MD Sass however is a portfolio manager that Financial Advisors may choose to invest some or all of a client's assets within a wrap fee with. HighTower does not receive any additional compensation for being a related person and invest client assets with MD Sass.

SUPERVISED PERSONS AS PORTFOLIO MANAGERS

All of HighTower's Financial Advisory teams in some fashion act as portfolio managers. Some advisory teams are one hundred percent portfolio managers and run their own models, while some teams only manage a portion of their client's assets as a portfolio manager, with the remainder going to other money managers or mutual funds.

The advisory business offered when HighTower is acting as portfolio manager is no different than any other advisory business offered as described in the Advisory Business section of Form ADV Part IIA. The advisory team will obtain the necessary client information to make an informed decision on the asset allocation for the client.

PROXIES

Unless requested by the client, HighTower will vote the proxies associated for the client. HighTower has chosen an independent proxy voting service, RiskMetrics Group/Institutional Shareholder Services, Inc. ("ISS") to vote all proxies for advisory accounts.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

CLIENT PROFILE

Initially HTA will interview prospective clients to determine their financial position, investment goals and objectives (e.g., risk tolerance and time horizon), investment limitations, reasonable investment restrictions and risk tolerance (collectively "Investor Profile"). The Investor Profile is used to help determine which Money Manager(s) fits clients' investment needs. At least annually, HTA will contact clients to determine whether they have had any changes to their Investor Profile. Should changes occur to a client's Investor Profile before the annual conference call or meeting, it is the client's responsibility to contact HTA as soon as possible.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

Some of HighTower's Financial Advisory teams act as the Portfolio Manager on the client accounts. In those cases, there are no restrictions placed on the client contacting them.

HTA will be reasonably available for consultation with clients regarding the management of their account. Questions about client account(s) and/or the investment activity should be directed to the client's Financial Advisor at HTA. HTA will serve as the liaison between clients and their Money Manager(s), and if appropriate, arrange for a meeting or conference call between the client and the Money Manager(s).

ITEM 9. ADDITIONAL INFORMATION

POTENTIAL CONFLICTS OF INTEREST

1. Aggregation of Orders

With respect to accounts over which HTA has discretionary authority to buy and sell securities, HTA may, but is not required to, aggregate orders for the sale or purchase of securities for the client's account with orders for the same security for other brokerage or advisory clients of HTA and its affiliates, and including orders for HTA's and its affiliates' employees and their related persons. HTA will only aggregate client orders when it believes doing so will likely be in the participating clients' best interests. HTA generally will not aggregate orders of client accounts managed by different Financial Advisors. A client order that is not aggregated with one or more other client orders may be executed at a less favorable price and incur greater transaction costs than an aggregated order. The execution of aggregated orders may be subject to delay for certain reasons, including but not limited to the time required for HTA to review proposed orders for compliance with investment restrictions or investment policy guidelines that clients (including advisory clients and brokerage clients for whom HTA exercises limited discretion) may have provided to HTA. Accordingly, the aggregation of the client's orders with other client orders may cause the client's orders to be executed later, and at different price, than they would have been had the client's orders not been aggregated with other client orders. Aggregated orders will generally be filled at an average price, with a pro-rata share of transaction costs (if applicable). On occasion, an aggregated order will not be fully executed, meaning that the entire order could not be reasonably filled. Any partial fill of such an aggregated order will generally be allocated pro-rata; de minimis deviations from the allocation statement are permitted in the interest of placing round lots in client accounts. Factors that can affect the decision to include an account in a block transaction include, but are not limited to, available cash in each account, the size of each account and order, client or other restrictions on the portfolio in each account, and the desirability of avoiding odd lots. HTA may have a conflict of interest in its allocation of partial fills among participating clients and HTA's and its affiliates' employees and their related persons. For specific information on a Money Manager's procedures to address the aggregation of orders, please refer to their Form ADV, Part IIADisclosure.

2. Other Brokerage Accounts

Certain clients in the programs described in this brochure may also have brokerage accounts with HTS in which HTA does not act in an advisory capacity. HTS's interests may not always be the same as the client's when it acts in only a brokerage capacity. These activities are separate and apart from HTA's advisory activities. Clients should ask questions to make sure they understand their various rights and HTS's obligation to them, when HTS acts in a brokerage only versus an advisory capacity, including the differences in the extent of HTS's obligation to disclose conflicts of interest and to act in the client's best interests. When HTS acts as a broker, it is paid both by the client and, sometimes, by people who compensate HTS based on what the client buys. Therefore, HTS's profits and its salespersons' compensation may vary by products and over time.

3. IPOs

Initial public offerings ("IPOs") generally are not made available to clients in the aforementioned programs. From time to time, limited opportunity investments (e.g., IPOs) may be made available as a result of relationships with the issuer's manager, distributor, or other third parties. With respect to accounts over which a Money Manager has discretionary authority to buy and sell securities, if a Money Manager determines that the opportunity is suitable for certain clients in the program, clients may receive an allocation of such. For specific information on a Money Manager's procedures to address the allocation of limited opportunity investments, please refer to their Form ADV, Part IIA disclosure.

4. Personal Trading

HTA and Financial Advisors may recommend securities in which they directly or indirectly have a financial interest or control relationship, and may buy and sell for their personal securities accounts securities that they recommend to advisory clients for purchase and sale. In addition, HTA access persons (as defined in HTA's Regulatory Compliance Manual) or related persons may have accounts with Money Managers that are available via platforms and programs that are made available to clients. As such, HTA access persons or related persons may buy or sell securities that clients also own in their own personal accounts. HTA and its Financial Advisors, in addition to third-party Money Managers, may give different advice, take different action, or hold or deal in different securities for any other client or account, including HTA's own accounts or those of its affiliates, from the advice that they give, action they take, or securities they hold or deal for client accounts. HTA has adopted policies and procedures designed to prevent unauthorized personal trading. HTA has also adopted policies and procedures designed to control the flow of "inside" and proprietary information between Financial Advisors from different advisory businesses and affiliates of HTA.

Financial Advisors, like all HTA investment personnel, are subject to HTA's personal trading policies and procedures as detailed in HTA's Code of Ethics, which is available upon request. A description of the Code of Ethics is provided further in this disclosure, number 10.

Please refer to each Money Manager's Form ADV, Part IIA for a description of the Money Manager's Code of Ethics.

5. No Liability in Connection With Certain Events

HTA shall not be liable for losses caused directly or indirectly by suspension of trading, wars, civil disturbances, terrorism, strikes, natural calamities, labor or material shortages, government restrictions, acts or omissions of exchanges, specialists, markets, clearance organizations or information providers, delays in mails, delays or inaccuracies in the transmission of orders or information, governmental, exchange or self regulatory organization laws, rules or actions, or any other causes beyond HTA's control that may prevent or delay the performance of HTA's obligations.

6. Additional Compensation

Certain wrap program administrators and/or custodians may have dedicated services and technology for registered investment advisers. This is a key reason for HTA's selection of these firms. They provide HTA with benefits it may not receive from other firms, in terms of pricing and services. They also make available services intended to help HTA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Through these firms HTA may also receive direct access to real-time client account information, electronic download of trades, balances and positions, and the ability to directly debit clients' advisory fees. HTA also receives software and support services, including reductions in seminar and conference fees from these firms. In addition, these firms may make available, arrange and/or pay for these types of services rendered to HTA by independent third parties. Sponsors may also discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HTA.

These services provided to HTA are not contingent upon any specific amount of business (assets or trading). While, as a fiduciary, HTA endeavors to act in its clients' best interests, Financial Advisors' recommendation that clients invest via certain programs and/or maintain their assets at one of these firms may be based in part on the benefit to HighTower of some of these products and services and not solely on the nature, cost or quality of their custody and brokerage services. This may create a potential conflict of interest.

For additional compensation HTA receives not directly related to wrap programs please refer to Form ADV Part 2A Item #5.

7. Economic Benefits Received for Providing Services to Clients

HTA may receive certain products and services from broker/dealers that are customary in the course of an institutional brokerage relationship. To the best of HighTower's knowledge, these services are generally made available to all institutional investment advisers doing business with these broker/dealers. These bundled services are made available to HighTower on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business directed to these broker/dealers. Since these products and services are merely made available by broker/dealers as part of a bundled business package to HighTower, HighTower does not consider products and services received in this context to be "soft dollars".

8. Solicitations Arrangements

HTA or its affiliates may enter into solicitation agreements under which they compensate affiliated or unaffiliated solicitors that refer advisory clients to HTA or its affiliates, which subject such individuals to a conflict of interest. Program clients will not incur any additional charge as a result of these arrangements. All or a portion of the fee, and/or other fees charged by HTA for its services may be paid to registered representatives of HTS or unaffiliated solicitors in connection with the introduction of accounts as well as the provision of supplemental and other client related services. In no event will such solicitation services include providing investment advisory services. These payments may be made for the duration of HTA's management of the client's account under the Program. HTA complies with Rule 206(4)-3 under the Advisers Act with respect to any solicitation arrangements to which it is a party.

HTA may also receive client referrals from wrap sponsors and/or custodians. While HTA may not receive such referrals pursuant to a formal agreement and may not directly compensate such firms for such referrals, such referrals could present a potential conflict of interest as HTA could have an incentive to direct clients to certain programs and brokerage to certain broker-dealers in order to continue receiving referrals. HTA does not consider client referrals from sponsors, custodians, and/or broker-dealers when making brokerage allocation decisions.

HTS maintains placement agent agreements with certain private fund managers for which it solicits investors for the private funds. HTS will not receive compensation in the event it solicits an advisory client of HTA to invest in one of the private funds.

9. Other Business Activities and Affiliations

a. Other Investment Advisers

HTA is registered as an investment adviser with the SEC and is noticed filed as needed in various states. HTA and its affiliates offer other advisory services, including wrap fee programs utilizing third-party Money Managers, a mutual fund allocation program, and various other consulting services. HTA's other advisory services are described in Part IIA of HTA's Form ADV, which is available upon request.

HTA is affiliated with other investment advisers as a result of the advisers, or affiliates of advisers' ownership interests in HighTower Holding, LLC, HTA's parent company. Such investment advisers and their affiliates include, but are not limited to: M.D. Sass Macquarie Financial Strategies Fund, Macquarie Funds Group (a wholly owned subsidiary of M.D. Sass Macquarie), Franklin Mutual Advisors, LLC, Envestnet, and Offit Capital. Financial Advisors may recommend that clients engage affiliates to provide advisory services and/or invest in advisory products managed by affiliates, including, but not limited to, limited partnerships. HTA completes a rigorous due diligence review on its partners before approving their products and services for clients and only products that are believed to meet a client's investment objectives and risk tolerance are recommended. HTA does not receive additional benefits or compensation from these firms because HighTower uses their products and services, although in some cases the pricing HTA is able to offer its clients may be less than it would have been without this relationship.

b. Registered Broker-dealer

HTA has arrangements that are material to its advisory business or its clients with a related entity, HTS, a broker-dealer registered with the SEC and a member of FINRA (Financial Industry Regulatory Authority, SIPC (Securities Investor Protection Corp.) and the MSRB (Municipal Securities Rulemaking Board). HTS is a wholly-owned subsidiary of HighTower Holding, LLC and its principal business is that of a broker-dealer involved in the sale of various types of securities, including but not limited to stocks, bonds and mutual funds. HTS is an introducing broker-dealer with a clearing arrangement through National Financial Services, LLC ("NFS"), a subsidiary of Fidelity. HTS also has an arrangement with JPMCC whereby JPMCC provides HTA with: execution, clearance and settlement services; service bureau requirements, including the generation and maintenance of required records; securities custody and processing; financing of customer positions and accounts as necessary; and maintenance of securities in good possession and control locations.

HTS may receive fees or commissions from issuers of certain securities held in accounts of its clients and will earn "rebate" or 12b-1 service fees from some mutual funds clients hold in their advisory accounts, including money market funds. As an introducing broker-dealer, HTS may receive a margin interest spread, or rebate, on debit balances maintained in clients' margin accounts. Through HTS, Financial Advisors may receive a portion of such spreads or rebates as compensation. As such, Financial Advisors are subject to a potential conflict of interest in recommending that clients invest in programs or with Money Managers that purchase certain mutual funds or open margin accounts and maintain debit balances where HTS serves as the introducing broker-dealer.

HTA does not participate in agency cross transactions.

c. Insurance Agency or Broker

HTS is licensed as a general insurance broker and agency and properly licensed Financial Advisors (who are also registered representative of HTS) HTA may provide analysis of and recommend the purchase and sale of certain insurance products. HTS may receive a commission or other form of compensation in connection with such sales and compensate Financial Advisors with a percentage of such commissions or other forms of compensation. Certain Financial Advisors licensed to sell insurance products may devote as much as 20% of their time to this activity. Clients are not obligated to use HTS as their insurance broker or agent, or to use any recommended insurance company for any recommended insurance transaction. HTA may utilize outside insurance agencies or broker-dealers for help with the analysis and recommendation of insurance products and/or for insurance licensing and appointments with various states and insurance companies.

Certain directors and members of executive management of HTA also serve as directors and/or executive management of HTS and HighTower Holding, LLC, the parent company of both HTA and HTS.

d. Time Spent on Other Activities

Investment adviser representatives and principals of HTA may spend up to 90% of their time on other related or non-related activities, including management of the firm, recruiting, and registered representative activities, including the sale of commissionable products, through HTS, financial planning, and/or the sale or recommendation of insurance products.

10. Code of Ethics

A Code of Ethics (the "Code") has been developed for HTA's access persons. This Code was developed to provide general ethical guidelines and specific instructions regarding the duties owed to advisory clients. All access persons must act with competence, dignity, integrity, and in an ethical manner, when dealing with clients, the public, prospects, third-party service providers and fellow access persons. Access persons must use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting HighTower's services, and engaging in other professional activities. All access persons are expected to adhere to the highest standards with respect to any potential conflicts of interest with clients. As a fiduciary, HTA must act in its clients' best interests. A copy of the complete Code may be obtained through a Financial Advisor or by contacting HighTower at Compliance@HighTowerAdvisors.com or Compliance at 312.962.3800.

Access persons' trades must be executed in a manner consistent with fiduciary obligations to clients; personal trades should avoid actual improprieties, as well as the appearance of impropriety. Access person's personal trades must not be timed to precede orders placed for any client, nor should trading activity be so excessive as to conflict with the access person's ability to fulfill daily job responsibilities. Other specific policies and prohibitions exist with respect to access persons' personal trading activities, as discussed in the complete Code.

Access persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. HighTower monitors access persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures. HTA strives to ensure that all access persons act in accordance with applicable regulations governing registered investment advisory practices as they apply to HTA. Any access person not in observance of this goal is subject to sanctions, including termination of employment.

HIGHTOWER NOTICE OF PRIVACY POLICY

We have adopted this policy with recognition that protecting the privacy and security of the person information we obtain about our customers is an important responsibility. To service you in an accurate and efficient manner, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information. In accordance with the regulations and rules we are governed by, and we are required to providing this Privacy Policy Notice to all new and existing customers.

INFORMATION WE COLLECT FROM YOU

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, date of birth, income, assets, investment preferences, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your accounts and transactions (such as purchases, sales, account balances, inquiries, etc.), information to process transactions or to conduct online transactions. If you apply for life insurance, we may receive information on your health or habits.

INFORMATION FROM THIRD PARTIES

If needed, we may also obtain information from third parties. For example, we may obtain information from you to evaluate your application or verify your identity, including personal and credit information from consumer reporting agencies or information from other companies about contracts or accounts transferred to us.

MEDICAL INFORMATION

We only collect medical information to submit to an insurance company to underwrite life insurance or annuity products. We will obtain written consent from you before we obtain this information from third parties. We only share medical information within strict limits as allowed or required by law; such information is not shared for marketing purposes.

INFORMATION WE SHARE

We share information only in a limited way to conduct business and provide service to customers, or as required by law. The law allows us to share the personal information listed above with our affiliated firms, also known as our family of companies. We share this information to conduct routine business activities.

WHAT INFORMATION WE DISCLOSE

We do not disclose the nonpublic personal information we collect about you to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services they provide (such as broker-dealers, custodians, Money Managers, etc.); (ii) to persons assessing our

compliance with industry standards (e.g., regulators, etc.); (iii) out attorneys, accountants, and auditors; or (iv) as otherwise provided by law. No nonpublic personal information is provided to outside firms for marketing purposes. We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative services on our behalf). These third parties are prohibited from using or sharing the information for any other purpose, and they are required by contract to maintain the confidentiality of your information. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

SAFEGUARDING OF YOUR INFORMATION

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We train our employees to keep your information safe and confidential. We maintain physical, electronic and procedural safeguards that comply with applicable federal and state standards.

CHANGES TO OUR PRIVACY POLICY

Our Privacy Policy may change from time to time. We will provide you notice of any material change we make and you will also receive a copy of this notice once every 12 months.

WITHIN OUR FAMILY OF FIRMS

All procedures in this Privacy Policy Notice apply to our family of companies including: HighTower Holding, LLC; HighTower Securities, LLC; and HighTower Advisors, LLC.

OPTING OUT OF THIRD PARTY DISCLOSURES

If you prefer that HighTower not disclose the nonpublic personal information about you to non-affiliated third parties, you may opt of such disclosures – that is, you may direct us to not make those disclosures, other than those permitted by law. If you wish to so opt out, you may contact our Compliance Department at 312-962-3800, or send a written request to the firm address below.

FOR QUESTIONS, PLEASE CONTACT US

ATTN: Chief Compliance Officer ♦ HighTower ♦ 200 West Madison Street, Suite 2500 ♦ Chicago, IL 60606 ♦ 312.962.3502 ♦ Compliance@HighTowerAdvisors.com

If you would like a copy of HighTower's most recent Form ADV or have changes to your financial situation or investment objectives, please contact your Financial Advisor.

