



**LONG-TERM
SOLUTIONS**

Comprehensive Wealth Management

Creating clarity from complexity.

March 7, 2014

601 California Street, Suite 750
San Francisco, CA 94108
(415) 321-2950

www.longtermsolutions.org

This brochure provides information about the qualifications and business practices of Long-Term Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 321-2950. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Long-Term Solutions, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Long-Term Solutions, LLC is an SEC-registered Investment Adviser. SEC registration does not imply that it has reviewed the skills or training of the Adviser.

Item 2 MATERIAL CHANGES

Annual Update

LONG-TERM SOLUTIONS, LLC (“LTS” or the “Firm”) is pleased to provide its clients and prospective clients with this Brochure, which is the Firm’s Form ADV Part 2A. The Brochure contains important information about the Firm’s business practices as well as a description of potential conflicts of interest relating to the Firm’s advisory business that could affect a client’s account.

This Brochure, dated March 7, 2014, is an annual update to the Brochure dated March 26, 2013.

Material changes since the last update:

- LTS moved its offices to 601 California Street, Suite 750, San Francisco, on March 1, 2014
- LTS added Pershing LLC as a qualified custodian in February, 2014
- George B. Brewster joined the firm as Managing Director on August 5, 2013, became Chief Compliance Officer (CCO) on January 1, 2014 and Chief Operating Officer on February 1, 2014.
- Various policies and procedures relating to client servicing, investment management, portfolio policy and fees have been updated or clarified

Please note that this section of the Brochure discusses only material changes since the last annual update of our Brochure. For any future material changes to this and subsequent Brochures, we will provide you with a summary of material changes within 120 days of the close of our fiscal year, or more often if necessary.

More information about **LONG-TERM SOLUTIONS, LLC** and our employees who are registered as investment advisers may be found on the SEC’s website www.adviserinfo.sec.gov

Item 3 TABLE OF CONTENTS

Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	5
	Overview of the Firm	
	Wealth Management Services	
	Investment Management Services	
	Financial and Wealth Planning Strategies	
	Private Alternative Investments	
	Direct Real Estate Investment and Asset Management	
	Family Office Services	
	Third Party Professional Referrals	
Item 5	Fees and Compensation	10
	Wealth and Investment Management Fees	
	Financial Planning and Consolidated Reporting	
	Financial Consulting and Family Office Services	
	Third Party Custodial Fees	
	Separate Account Manager Fees	
	Mutual Fund and Exchange Traded Fund Expenses	
	Other Fees and Expenses	
	No Other Compensation	
Item 6	Performance-Based Fees and Side-by-Side Management	13
Item 7	Types of Clients	13
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9	Disciplinary Information	15
Item 10	Other Financial Industry Activities and Affiliations	15
	Registrations	
	LTS Capital Partners	

Item 11	Code of Ethics	17
Item 12	Brokerage Practices	17
	Best execution	
	Research and Soft Dollars	
	Directed Brokerage	
	Trading Practices	
Item 13	Review of Accounts	19
Item 14	Client Referrals and Other Compensation	19
Item 15	Custody	19
Item 16	Investment Discretion	20
Item 17	Voting Client Securities	21
Item 18	Financial Information	21
	Privacy Notice	22

Item 4 ADVISORY BUSINESS

Overview of the Firm

LONG-TERM SOLUTIONS, LLC (LTS, or the Firm) was founded in 2005 to manage the complex, multi-asset portfolio of a multi-generational family office and its related trusts, foundations and real estate. The Firm has since expanded its practice from ultra-high net worth families to high net worth families and individuals to provide comprehensive, goals-based wealth and investment management services, while also expanding its services to include financial and real estate consulting and asset management services, and proprietary pooled debt and equity investment vehicles.

LTS is an independent Registered Investment Adviser (RIA) headquartered in San Francisco, is organized as a Delaware limited liability company, of which Richard L. Intrater, President CEO is the principal owner through a revocable family trust. LTS is not owned by, or affiliated with, any bank, broker-dealer, insurance company, or other investment manager.

The Firm's principal business is providing independent and unbiased wealth management and financial advice, with an emphasis on meeting client goals, managing risk, and highly personalized service. Our approach is to define clear objectives and implement a disciplined approach to achieve them, with as much simplicity and economy as possible. Our clients include families, individuals, businesses, retirement plans, trusts and foundations.

LTS custom-tailors its wealth and investment management services for each client. These services can include the construction, management, and oversight of multi-asset portfolios; comprehensive financial planning; estate, tax, philanthropy and insurance strategies; consulting and implementation of direct real estate investment and asset management strategies; and family office services. Our mission is to provide institutional quality 360-degree wealth and investment management advice for all classes of assets at a fair cost.

The Firm is also the manager and adviser for several proprietary pooled investment vehicles, LTS Capital partners I, LP and LTS Capital Partners II, LLC (collectively, LTS Capital Partners), which provide clients access to targeted direct private equity and debt investments and pool clients investment to provide access to high-minimum private investments.

LTS is not a broker-dealer, custodian or trust. LTS and its employees do not accept any compensation other than fees from its clients, except in connection with LTS Capital Partners, from which it receives performance-based fees. LTS does not receive remuneration or participate in sales charges, service fees, 12b-1 fees, or any other form of compensation from third parties in connection with the selection or recommendation of investments.

LTS does not accept custody of client assets, except as noted below. The Firm uses qualified institutional custodians to hold client assets and our clients receive account statements directly from the custodian. The Firm also prepares consolidated client performance reports on a regular basis which can include assets not managed by LTS. The Firm may meet the SEC's technical definition of having custody of some client accounts because of certain activities or services,

including deducting fees from client accounts, being the manager of LTS Capital Partners, serving as a trustee of a client trust, or holding a power of attorney for a client account. In accordance with SEC rules, those accounts over which Firm is deemed to have custody are subject to an annual surprise audit, the results of which are filed with the SEC and made available to clients.

The Firm's services are more fully described below and in the Wealth and Investment Services Agreement (the Agreement) which is executed by each client. The Agreement, together with the Investment Policy Statement, sets forth the services to be provided and the terms and conditions under which the Firm manages client assets.

As of December 31, 2013, the Firm managed approximately \$120.5 million (\$120,496,000) of client assets for approximately 50 clients and 2 pooled investment vehicles, consisting of \$73,640,000 of discretionary assets, \$16,860,000 of non-discretionary assets and \$29,996,000 of other assets.

Wealth Management Services

LTS is a boutique wealth management firm providing comprehensive and highly personalized services to sophisticated clients with a focus on the preservation, growth and the orderly, tax-efficient transfer of personal wealth. LTS works closely with its clients to provide unbiased advice with a transparent fee structure and an emphasis on fully meeting each client's individual goals and objectives. The Firm therefore limits the number of clients it accepts and stresses fit between the Firm's capabilities and philosophy with the client's objectives and values when considering whether to accept new clients.

The Firm's principals have deep and broad experience in comprehensive wealth management. LTS offers services including investment management, financial and wealth planning, private alternative investments, direct real estate investment and asset management, family office services, and third party professional referrals as may be appropriate. Wealth management holistically addresses financial planning; investments; taxes; risk management and asset protection; insurance, estate planning and philanthropy strategies; and succession and the transition of family enterprises and assets. An investment plan and a financial planning analysis are integral parts of a holistic wealth management plan. Family office services are custom-tailored from a menu of services to organize, administer and oversee complex family situations in coordination with accountants, attorneys, tax preparers and other professionals.

The Firm engages in a detailed discovery process with each client to define goals, objectives, risk orientation, liquidity needs and time horizons in order to ensure that recommended investment portfolio, tax and estate strategies are suitable to meet the client's specific needs, objectives and circumstances.

The LTS client experience typically encompasses the following steps:

1. Jointly define long-term financial goals and objectives--
In terms of wealth preservation and growth, lifestyle income requirements, retirement planning, bequests, multi-generational planning, gifting and strategic philanthropy.

2. Develop guidelines--
Based on risk orientation, time horizon, liquidity needs and tax impacts.
3. Construct a comprehensive wealth management plan--
Which can include a portfolio construction and integration plan and (if desired by the client) a detailed financial plan and analysis. The information developed from these steps is memorialized in a detailed investment policy statement, which helps direct and inform further review of risk mitigation and asset protection, insurance needs, estate and tax plan coordination, and succession and/or liquidity planning.
4. Implement the plan--
We implement the investment portfolio plan, estate and tax strategies, and strategic philanthropy plans created in Step 3.
5. Monitor and report results of the plan--
We measure investment performance on an ongoing basis for progress toward goals in terms of net worth, income, and taxes, and make adjustments for significant changes in life situations, market conditions and relevant laws and regulations as they occur.
6. Periodically review and update client objectives and circumstances.

The Firm provides its clients with other financial consulting services on an ongoing or as-needed basis by separate fee arrangements, including direct real estate investment and asset management, liquidity and cash flow management, tax and philanthropic strategies, and global asset strategy reviews. A principal of the Firm holds professional credentials in retirement planning (Chartered Retirement Planning Counselor) and divorce financial planning (Certified Divorce Financial Analyst), these services are available to clients as needed, and which may or may not be included in the wealth and investment management fee, depending on the circumstances. Please see the Brochure Supplement for more information.

Investment Management Services

Our investment management services offer sophisticated advice and access to institutional quality investments and research, and feature portfolio construction and management by our Chief Investment Officer and Portfolio Manager under the direction of the Firm's Investment Committee and CEO. The Firm's extensive network of relationships and ability to pool client investments allow us to offer access to leading private equity, hedge funds, and venture capital investments usually available only to large institutional and ultra high net worth investors. LTS Capital Partners, our proprietary pooled investment vehicle, offers access to private equity and debt investments in emerging, technology platform-based growth companies. And our customer service department provides a single point of contact for unsurpassed personal service for client onboarding, cash management, reporting and day-to-day needs.

The LTS approach to investment management encompasses a multi-faceted approach:

1. Control portfolio risk: We use asset allocation, thoughtful diversification and careful selection of managers to limit risk and preserve wealth.
2. Make your money work for you: We invest for both growth and income.

3. Make your assets grow at least as fast as inflation: We incorporate inflation hedges in most portfolios.
4. Seek additional performance when it can be achieved without undue risk: We research and include managers who seek to capture most of the market upside and limit the downside in volatile markets.
5. Seize opportunities created by changing market conditions: We use strategic asset allocation with a tactical overlay to opportunistically respond to rapidly changing, volatile markets.
6. Look beyond the traditional asset classes of cash, bonds and equities: We include hedged equity, master limited partnerships and private equity investments to diversify most portfolios.
7. Keep it simple and economical: We use a combination of active managers and passive index investments to capture trends and add alpha at a reasonable cost.
8. Be conscious of tax consequences: We use tax management overlay structures to minimize the impact of income taxes on investment returns.
9. Monitor success continually: Whether success is primarily defined as safety of capital, current income, long-term growth, or a combination of these objectives, it is important to constantly monitor progress toward goals and adjust for changing conditions in a timely manner.

Our primary role as an investment manager is to manage a prudent investment process on behalf of our clients for the preservation, growth and orderly transfer of wealth. LTS specializes in strategic and tactical asset allocation, in-depth manager research and selection, and portfolio management for complex pools of investment capital. The firm maintains and expands its expertise through a commitment to rigorous research, strategic partnerships, focus on client goals and regular reviews.

LTS employs a full-time Chief Investment Officer (CIO) who chairs our Investment Committee, which meets regularly to review potential and existing portfolio strategies and investments, track the performance of sectors of the markets, and identify established underlying managers with consistent historical return characteristics, as well as promising emerging managers.

The Firm actively invests in a wide spectrum of underlying active and passive managers (managers of private funds, separate accounts, no-load mutual funds and ETFs) on behalf of its clients. The Firm's perspective is global, including North American markets, the developed and emerging international markets, and alternative assets including hedge funds, private equity, energy infrastructure MLPs and directly and indirectly owned real estate.

The Firm's investment management clients receive investment advisory services that are generally managed on a discretionary basis. This means that the client grants LTS limited authority to supervise, invest and trade client assets placed under its management in a manner consistent with pre-established client objectives guidelines and policies. Clients may also impose restrictions on investing in certain securities or types of securities.

LTS makes available to its clients certain benefits as part of its investment management services that may not otherwise be available to brokerage firm clients. Such benefits include:

- Access to early-stage private equity investments in emerging technology companies through LTS Capital Partners pooled investment vehicles (Please see Item 10 below);
- Access to institutional equity and debt investment funds, which are normally available only to institutional investors and ultra-high net worth individuals, at reduced minimums;
- Access to custom-tailored instruments to achieve specific objectives, such as debt instruments that hedge exposure to a specific market and which can result in gains whether that market moves up or down over a defined period.
- Access to institutional mutual fund share classes (i.e., no upfront sales charges and lower operating cost shares) of certain fund families;
- Access to sophisticated investment research not generally available to the public;
- Consolidated reporting and online portal access for managed and non-managed assets, including financial, real estate and other assets held by, and outside of, LTS.

Financial and Wealth Planning Services

The financial planning process analyses income, expenses, investments and taxes, and projects them into the future based on parameters defined by the client. It then tests alternative investment outcomes and gauges the likelihood of achieving stated goals, projecting estimated cash flow, taxes and balance sheets into the future. The financial plan provides the basis for a comprehensive and holistic wealth management plan, which addresses investments, taxes, estate planning, risk management and asset protection, insurance, retirement scenarios, philanthropy, wealth transfer, succession and the transition or liquidation of family enterprises. Financial planning services are offered for an hourly or flat fee in addition to the wealth and investment management fee.

Private Alternative Investments

In addition to the opportunity to participate in our proprietary pooled investment vehicle, LTS Capital Partners, the Firm provides unbiased investment advice on private alternative investments including private equity, hedge and venture capital funds. These private investments may be recommended by the Firm or be private investments the client already owns or wishes to consider owning. Clients may elect whether to place such funds under supervision with the Firm or hold them outside the Firm. LTS can provide consolidated performance and cash flow reporting in either case. If a client invests in a third party private investment fund, LTS does not accept any placement or referral fee, commission or other third party compensation. Private investment funds placed under the Firm's supervision will be included in the client's assets under management for purposes of calculating the wealth and investment management fee; those not under LTS supervision will not.

Direct Real Estate Investment and Asset Management

Based on the background and experience several of the Firm's principals, LTS provides fee-based advisory and implementation services for the analysis, acquisition, financing, management,

development and disposition of residential and commercial real estate assets and portfolios, including primary and secondary residences, apartments, office and retail complexes, specialty real estate and land development. LTS also provides real estate consulting services on an ongoing or as-needed basis to clients who have, or intend to acquire or dispose of significant investment real estate assets. Collectively, Richard Intrater, CEO and George Brewster, COO, have been involved in over \$3 billion of commercial real estate transactions including portfolio acquisitions and dispositions, equity and debt financing, development and asset management for office, multi-family, retail, and specialty assets. George Brewster also holds the professional designation of Counselor of Real Estate (CRE). Please see the Brochure Supplement for more information.

Family Office Services

Clients may retain LTS to render various custom-tailored family office services on an ongoing or periodic basis. Such services may include family philanthropy and foundation oversight, trusteeship services, family continuity/education, wealth transfer planning and transition consulting for family businesses, risk assessment and management, integrated personal budgeting and cash flow forecasting, general ledger accounting, preparation of financial statements, and bill paying.

Third Party Professional Referrals

As a service to our clients, LTS may recommend the services of other professionals within our network for certain non-investment services, such as attorneys, accountants, insurance agents, philanthropic consultants, etc. A client is under no obligation to engage the services of any such professional, and the Firm will receive no fees or other economic benefit in connection with such referrals. Neither LTS, nor any of its employees, serves the Firm's clients in the capacity of accountant, attorney, insurance agent, or real estate agent, and no portion of the Firm's services should be considered as tax or legal advice.

Item 5 FEES AND COMPENSATION

Our goal is to be totally transparent in our compensation schedule. Fees are based solely on a percentage of client assets under management in the case of wealth and investment management services, or on an hourly or flat fee basis in the case of planning, consulting and family office services. LTS also receives performance-based compensation for its role as manager and advisor for LTS Capital Partners. A client may choose to include independently managed assets within the Firm's reporting oversight, and include such assets with respect to asset allocation decisions, in which case they will be included in the Firm's wealth and investment management fee calculations.

Wealth and Investment Management Fees

Fees for wealth and investment management services are set forth below and are specified in our Wealth and Investment Management Services Agreement. The Agreement is for a term of two years and is thereafter renewed automatically unless notice is given by either party to

terminate ninety days prior to the date of expiration. After one hundred and eighty days from the effective date of the Agreement, either party may terminate by written notice to the other, effective thirty days after receipt of such notice. Any fees paid in advance exceeding the termination notice period for services yet to be rendered will be remitted on a pro-rata basis within five (5) weeks of the termination.

The initial quarterly fee for a new client is pro-rated from the effective contract date. For some clients, should subsequent contributions and withdrawals of assets exceed a certain amount, the Firm will also pro rate its fees from the date of such contribution/withdrawal.

LTS clients receive monthly or quarterly account statements directly from the custodian and may elect to have statements delivered electronically. The Firm also sends its clients quarterly performance reports prepared by the Firm. LTS urges clients to compare the Firm's reports with the custodial statements. LTS performs periodic testing to ensure that fees are charged in accordance with the Agreement.

LTS bases its wealth and investment management fee on assets under management. Normally our fee starts at 100 basis points (1.0%) of assets under management (AUM) and is tiered so that the fee decreases at specified AUM breakpoints. Wealth management fees are based upon the market value of all marketable securities and other assets in client accounts as of the last day of the applicable calendar quarter. Fees are billed quarterly, in advance, and are normally deducted from client accounts, except that retirement accounts will be invoiced separately and clients may elect how they will be paid.

LTS does not require a minimum investment to become a client, but the Firm generally charges a minimum annual fee of \$20,000. The typical LTS client has between \$2 million and \$20 million in assets under the Firm's management. LTS may waive all or part of its minimum annual fee, in its discretion, and may make lower fee arrangements or otherwise negotiate different arrangements with some clients, depending on the circumstances.

Financial Planning and Consolidated Reporting

Fees for financial planning are based on the complexity of the plan, and generally range from \$1,500 to \$5,000 for a complete financial analysis with net worth, tax, cash flow, balance sheet and probability of success projections.

Consolidated asset reporting, which permits clients to access values and cash flows for all their assets, including private equity investments and real estate assets, via the LTS online portal, is provided for all LTS wealth and investment management clients. Up to three separate accounts are included in the basic asset-based management fee; an unlimited number of additional accounts or assets can be added at \$150 to \$500 each per year, depending on the type of asset.

Financial Consulting and Family Office Services

Fees for consulting on financial matters, including global assessment of complex portfolios, divorce or retirement financial planning, estate planning and philanthropic strategies, as well as real estate

consulting and asset management services, may be billed on an hourly, flat fee, or performance fee basis, which is determined on a case-by-case basis. LTS family office services are carefully tailored to the needs of each client, for which the Firm normally charges an annual management retainer based upon the services to be provided and the complexity of the financial situation.

Third-Party Custodial and Transaction Fees

Investment management services are implemented through qualified third-party custodians/brokers who provide custody and trading, as well as technology and other support services. LTS currently uses Charles Schwab & Co., Inc. (Schwab), Pershing LLC (Pershing) and Deutsche Bank USA (DB) as third-party custodians. Schwab, Pershing and DB charge brokerage transaction fees but do not charge custodial fees except in the case of private security certificates. The Firm meets periodically with Schwab and Pershing to negotiate the lowest possible transaction fees. The transaction fees charged by Schwab and Pershing are in addition to the Firm's wealth and investment management fee and may be higher or lower than those charged by other custodians. A client may specify a custodian other than Schwab or Pershing. LTS does not accept any fees, commissions, rebates or other form of compensation, including soft dollar compensation, for using or recommending any custodian.

Separate Account Manager Fees

LTS may recommend to some clients that they invest using one or more separate account managers in order to achieve certain advantages in tax planning and cost efficiency. If a client does so, the client will enter into an account agreement with the separate account manager which will set forth the manager's fees. These fees are paid to the manager(s) and are separate from, and in addition to, the LTS wealth management fee. LTS does not share in any fees paid to separate account managers and does not accept any fees, commissions or other remuneration for selecting or recommending any separate account manager.

Mutual Fund and Exchange Traded Fund Expenses

Mutual fund and exchange traded fund (ETF) managers incur operating expenses and pass some or all of these expenses through to their investors in the form of fund management and other fees. These fees vary from fund to fund. LTS endeavors to provide its clients access to institutional share class funds, which typically have no front-end sales charge and charge lower operating and other fees than retail share classes, with the result that institutional class share holders can realize a higher net return than retail class share holders in the same fund. Each mutual fund and exchange traded fund manager provides a prospectus for their fund which includes a complete disclosure of the fund's management and fee structure. All such mutual fund and exchange traded fund fees are in addition to and separate from the LTS wealth management fee. The Firm does not share in any fees paid to mutual fund or exchange traded fund managers, does not accept trail or 12b-1 fees, and does not accept any other fees, commissions or other compensation for selecting or recommending any mutual fund or exchange traded fund manager.

Other Fees and Expenses

Clients may incur other expenses, depending on their choices. For example, clients may incur deferred sales charges, redemption fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, and other fees and taxes which are unrelated to, and in addition to, the fees paid to the Firm.

No Additional Compensation

LTS does not accept any other remuneration from third parties, including sales charges, service fees, 12b-1 fees or soft dollar compensation, in connection with the selection or recommendation of any investment managers or products, except that LTS may receive certain free online software services from qualified custodians which further the Firm's ability to serve our clients and which LTS might otherwise have to pay for. LTS receives additional compensation for its role as manager and advisor to the LTS Capital Partners entities.

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

LTS does not receive performance-based fees in conjunction with its wealth and investment management services. LTS does receive performance-based fees in its role as manager and advisor to LTS Capital Partners. The two activities are separate and do not any create any conflicts of interest in trading, although the higher compensation to LTS from client investments in LTS Capital Partners versus third party managers is a conflict of interest which is disclosed to investors in LTS Capital Partners offering and subscription documents. Please see LTS Pooled Investment Vehicles in Item 10 below.

Item 7 TYPES OF CLIENTS

The Firm's clients include high net worth families and individuals, multiple generations of high net worth families, retirement plans, trusts and private foundations. LTS generally does not require a minimum asset level for its wealth management services, but its services are best suited to high net worth clients.

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

Investment Strategy and Analysis

LTS employs a disciplined approach to investing and portfolio construction that takes into account, among other things, the client's goals and objectives, time horizons, risk tolerance and liquidity needs. The resulting portfolios aim to be selectively diversified across asset classes, sectors, and geographies, with tactical adjustments for specific situations so as to have an acceptable

probability of achieving the risk adjusted returns to meet a client's stated objectives. The Firm uses a variety of investment vehicles in client portfolios, including individual equities and bonds, mutual funds, ETFs, separately managed accounts, master limited partnerships, hedge funds, private equity funds and other alternative investments.

While all client portfolios are custom tailored to meet each client's circumstances, the Firm has developed a range of model strategies from Capital Preservation to Aggressive Growth as strategic approaches, and which serve as a starting point for the creation of custom portfolios. Each model strategy is based on historical and projected capital market assumptions, mean-variance relationships, correlation data and probability analysis and is then optimized into distinct portfolios with various asset class weightings based on risk/return trade-offs. The results provide expected (but not guaranteed) returns over a complete market and economic cycle for each level of risk, as defined by Standard Deviation. Actual returns may vary significantly from these models because of market conditions, customization, client imposed constraints, timing of investment or withdrawals, and tactical management. When determining complex, long-term financial planning needs, the Firm uses sophisticated financial planning and analysis tools to run simulations and assess the probability of meeting desired long-term outcomes.

LTS relies on its Investment Committee composed of senior management and the Firm's Chief Investment Officer and Portfolio Manager to set investment strategy, research and select managers and investments, and direct tactical shifts from strategic allocations. The Investment Committee typically meets weekly to review economic conditions, sector allocations, manager selection and performance, and client portfolio performance.

LTS seeks to minimize risk by selecting underlying separate account and fund managers with long track records of consistent performance, sound investment philosophy and strong management teams, and seeks to enhance performance by also vetting emerging managers for a portion of some portfolios. In evaluating investment managers, the Firm has periodic communications with the managers to assess various quantitative and qualitative factors. The Firm may also employ outside investment research consultants to assist and augment the Firm's own research, analysis and due diligence.

To further reduce risk and improve the probability of meeting client goals, the Firm may develop shorter-term tactical investment views which are typically structured around a long-term strategic allocation. Using broad market and asset class analysis, the Firm may temporarily overweight or underweight certain asset classes based upon relative attractiveness for the short-to-medium term. The Firm monitors portfolios and adjusts weights as market circumstances warrant.

LTS may rebalance discretionary portfolios as the percentages of the various asset classes fluctuate significantly from their stated targets, if market conditions warrant. Where appropriate and in consultation with clients' tax advisors, the Firm will also sell certain investments in order to harvest tax-losses that may have occurred in a client's portfolio in order to shelter some portion of taxable portfolio gains from taxation.

Investment in capital markets involves risk, which includes the possibility that a portfolio could decline in value. Risk varies according to investment type. Investment products or investment

strategies are not guaranteed and may not adhere to any predefined level of performance. Although diversification may minimize investment risk, diversification itself does not prevent losses from occurring, nor does it guarantee profitable results. The managers selected for the portfolio and their associated strategies present additional sources of risk which vary within and across market sectors and asset classes.

Item 9 DISCIPLINARY INFORMATION

Registered Investment Advisers must disclose all material facts about any legal or disciplinary events that would be material in an evaluation of the Firm or the integrity of the Firm's management personnel. LTS does not have any legal, financial or disciplinary items to report.

Item 10 OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

Registrations

Neither LTS nor its employees are registered, or have an application pending to register, with a broker-dealer or a registered representative of a broker-dealer. Two of the Firm's employees have been licensed as securities brokerage representatives (FINRA Series 7).

Neither LTS nor its employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or as a representative of any of the foregoing. One of the Firm's employees is licensed as an insurance agent and as a real estate broker, but does not engage in any revenue-generating activities from insurance sales or real estate brokerage on behalf of the firm, or independently.

LTS Proprietary Pooled Investment Vehicles

LTS is the manager and investment adviser of LTS Capital Partners I, LP and LTS Capital Partners, II, LLC, (collectively, LTS Capital Partners). These proprietary pooled investment vehicles offer access to early-stage equity and debt investments in privately held emerging companies with cutting-edge technologies. Investors in LTS Capital Partners offerings must have a net worth of at least \$2 million in accordance with the requirements of the Advisers Act.

The Firm provides administrative, advisory and management services to these entities as disclosed in the relevant private placement memoranda and receives fees and other compensation from LTS Capital Partners. The opportunity to invest in these pooled investment vehicles may be made available to the Firm's clients and employees, as well as outside investors. There is no obligation for any client to purchase any interest in a LTS Capital Partners pooled investment vehicle. Some, but not all of the Firm's clients have made investments in, and are limited partners and/or members of, these entities. A wealth and investment management client of LTS is an officer, director and shareholder of Eyefluence, Inc., a private company in which LTS Capital Partners has

invested. Risks, including potential conflicts of interest, are more fully described in the relevant private placement memoranda and subscription agreements.

In its capacity as general partner or managing member and advisor to LTS Capital Partners, the Firm charges each pooled investment vehicle participant a management fee that is a percentage of the total capital contributions committed, and which may be more or less than similar fee arrangements. The management fee is billed annually in advance to each investor in LTS Capital Partners II,

LLC. For LTS Capital Partners I, LP, the management fee is accrued and will be paid from future distributions by the partnership. For those advisory clients who have invested in LTS Capital Partners pooled investment vehicles, the Firm does not include the value of these investments when calculating the wealth and investment management fee.

Under the terms of the partnership and operating agreements of LTS Capital Partners, the pooled investment vehicles and their investors make reimbursements to the Firm for certain expenses incurred by the Firm, such as legal, accounting, filing, tax and other out of pocket expenses made on behalf of each pooled investment vehicle. These reimbursements and expenses are detailed in the private placement memoranda and are billed periodically.

LTS will receive from each pooled investment vehicle a participating distribution equal to a percentage of the remaining proceeds and/or net income, attributable to any portfolio investment, after return of 100% of invested capital, pursuant to the private placement memorandum.

It is often difficult to value private pooled investment vehicle interests prior to liquidation or distribution. LTS normally values pooled investment vehicles for reporting purposes on the basis of contributed capital until distributions begin, or until other circumstances arise which would indicate the need for a different value. The Firm will review the value of pooled investment vehicles periodically and adjust them if such adjustment is indicated. The Firm has the option of requesting an opinion of value from LTS Capital Partners' certified public accountant or other third party valuation consultant, if needed. LTS is committed to actively reviewing and revising the values of its pooled investment vehicles to prevent over- or under-statement of value, but will err on the side of under-stating value to avoid any potential conflict of interest in relation to fees.

As discussed above, the Firm receives management fees, expense reimbursements and participating distributions from LTS pooled investment vehicles. The fact that the Firm potentially receives a higher level of compensation from client investments in LTS Capital Partners offerings than from third party investments may present a conflict of interest. Clients are advised of this conflict in LTS Capital Partners offering and subscription documents. The Firm follows written policies and procedures to avoid and resolve conflicts of interest and ensure that all clients are treated fairly. Private equity investments, especially investments in early stage companies, are illiquid and can involve considerable risk including the risk of loss of the total investment, which investors should be prepared to bear.

Item 11 CODE OF ETHICS

We value the trust that our clients place in us, and we place our fiduciary responsibilities to our clients first and foremost in all aspects of our business. LTS has adopted a code of ethics which outlines our standards of business conduct and serves to establish a standard of professional and personal conduct for all LTS employees based upon the fundamental principles of openness, integrity, honesty and trust.

The LTS code of ethics includes provisions for maintaining the confidentiality of client information and client privacy, prohibitions on insider trading, restrictions on the acceptance of gifts, requirements to report certain political contributions, gifts and business entertainment, and restrictions on personal securities trading, among other items. A copy of the LTS code of ethics is available upon request.

As a part of its code of ethics, the Firm has implemented a personal securities transaction policy to review and monitor the personal securities transactions and holdings of all Firm employees and their immediate family members residing in the same household. Each quarter, all Firm employees must submit a record of their personal securities transactions to the Chief Compliance Officer for review. In addition, the LTS personal securities transaction policy requires that all employees provide the Chief Compliance Officer with a written report of, or access to, the holdings in their securities accounts within ten (10) days after becoming an employee and at least once each twelve month period thereafter. LTS employees are permitted to invest in LTS Capital Partners offerings on the same terms, and with the same fees, as all other investors.

The Firm endeavors to not recommend securities to clients or sell securities for client accounts at or about the same time that a another client buys or sells the same securities, but the same security may be bought in one client account and sold in another client account at or about the same time for reasons including rebalancing, liquidity, or other legitimate reasons. It is the Firm's policy that if LTS or a related person invests in the same securities or related securities that LTS or a related person recommends to clients, client transactions must be processed first and other steps be taken to avoid any conflict of interest.

In December 2013, LTS Capital Partners II, LLC—Eyefluence A Series, offered access to an investment in Eyefluence, Inc., of which an LTS wealth and investment management client is a founder, CEO and a major shareholder. We do not believe such investment created, or will create, any conflict of interest, and the Firm has disclosed the situation in the offering and subscription documents for this investment.

Item 12 BROKERAGE PRACTICES

Best Execution

LTS, as a fiduciary to its advisory clients, endeavors to obtain best execution for client transactions, meaning not necessarily the lowest transaction cost, but the best overall qualitative

execution. When determining best execution, the Firm's considerations include, but are not limited to, price/yield competitiveness, execution capability and quality, reasonableness of commission rates, market impact, financial responsibility, operational efficiency, responsiveness, knowledge of the relevant asset class/sector/specific security in which the firm is transacting business, availability of institutional share classes, and other factors deemed appropriate in providing the best overall service and value to our clients.

Research and Other Soft Dollar Benefits; Payment for Client Referrals

LTS does not accept any soft dollar arrangements, nor does it compensate any broker/dealer, custodian, client or third party for client referrals. Some LTS employees may, as additional compensation from the Firm, participate in some of the fees generated by clients which they refer to the Firm.

Directed Brokerage

Although LTS does not generally accept directed brokerage arrangements, in which a client requires that transactions be effected through a specific broker-dealer/custodian, clients do have the right to direct brokerage if they wish. In instances where a client chooses to maintain a relationship with a specified broker-dealer/custodian, it is the client's responsibility to negotiate terms and arrangements with that custodian, with the understanding that the Firm may not be able to achieve best execution of transactions with the specified broker-dealer/custodian. Directing brokerage may cost more in term of higher commissions, other transaction costs or greater spreads, and clients may receive less favorable net prices on transactions than would otherwise be the case. LTS may or may not oversee such outside broker relationships and may or may not make investment recommendations to the client. Outside accounts may or may not be included in the calculation of the Firm's wealth and investment management fee, depending on the level of the Firm's oversight and the terms of the agreement with the client.

Trading Practices

As a fiduciary, LTS endeavors to place our clients' interests first and foremost at all times. The Firm's trading policies and procedures prohibit unfair trading practices, seek to avoid any conflicts of interest, and endeavor to resolve conflicts or trade errors in the client's favor. The Firm follows written policies and procedures for trade documentation, reporting of trade order status, resolution of trade errors, trade allocation, and trade aggregation. Internal trading (as opposed to trading done in a client's separately managed account) is done through the client's chosen custodian and is generally executed through the custodian's online trading platform.

Purchases and sales of securities for various client accounts are not normally aggregated, but if LTS does purchase the same security for more than one client on the same day, such transactions may be aggregated by the executing broker, in which case the actual prices applicable to the aggregated transactions may be averaged.

Item 13 REVIEW OF ACCOUNTS

LTS periodically reviews client accounts and financial plans. For those clients to whom LTS provides wealth and investment management services, the Chief Investment Officer and Portfolio Manager review portfolios at least quarterly.

All clients are encouraged to review financial planning issues, investment objectives and account performance together with any personal or financial changes with the CIO and Portfolio Manager at least on an annual basis. Most clients are in touch with the Firm on a much more frequent basis. The Firm may also conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, mutual fund management changes and by client request.

The Firm provides written quarterly reports in addition to the custodian statements, which reports include current holdings under our direct management (and in some cases holdings not under our management) as of the report date, which is normally the end of the calendar quarter, as well as historical performance of the client portfolio versus applicable benchmarks and LTS model portfolio benchmarks, the management fee invoice, and a disclosures page. In addition, year-end quarterly reports also include realized gain-loss, income, and expense reports for each account as applicable.

Clients are provided monthly or quarterly statements directly from their custodian that summarize the beginning and ending values of the assets as well as all transaction activity during the month. In addition to the custodial statements, clients receive trade confirmations from the custodian whenever trades are executed in their accounts. LTS urges clients to compare the reports from LTS with the statements and confirmations received from their custodians.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

LTS does not currently have any referral or compensation arrangements with third party solicitors and receives no economic benefit, including sales awards or prizes, from any person who is not a client for providing advisory services to clients. Some LTS employees may, as additional compensation from the firm, participate in fee revenue generated by clients which they refer to the Firm.

Item 15 CUSTODY

Custodial Accounts

All client assets under LTS management are held by qualified third-party custodians. LTS maintains several custodial relationships depending on client needs and asset levels. Clients

enter into a custodial/clearing agreement with the custodian and pay transaction fees to the custodian for brokerage services. Factors which LTS considers in recommending custodians include historical relationships with the Firm, financial strength, reputation, execution capabilities, pricing, and customer service.

LTS does not receive any services, discounts or fees on any investment products or services provided by recommended custodians, other than custodial and brokerage services and related support services. There is no commitment to Schwab, Pershing or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products.

Item 16 INVESTMENT DISCRETION

Discretionary Account Management

Generally, LTS client accounts are managed on a fully discretionary basis wherein the client grants the Firm the discretion and authority to supervise, invest and trade client assets placed under its management in a manner consistent with established client objectives and guidelines. Prior to the Firm assuming discretionary authority over a client's account, the client executes a Wealth and Investment Services Agreement, including a limited power of attorney in favor of the Firm, granting the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name in the discretionary account, subject to the guidelines and policies established in collaboration with the client. When engaged on a discretionary basis, LTS may alter the client-approved equity/fixed income ratio, sub asset allocations and investment managers used in the client's account within prescribed limits for tactical purposes without prior client approval. Clients may impose limitations on discretionary authority, such as limiting the purchase of certain types of securities or securities from specified geographical areas.

Non-discretionary Account Management

A client may choose to have a non-discretionary account with LTS. With respect to non-discretionary wealth and investment management services, the Firm generally maintains ongoing responsibility to make recommendations, based upon the needs of the client. If such recommendations are accepted by the client, the Firm is responsible for arranging or effecting the purchase or sale. Under a non-discretionary arrangement, the client has the sole authority with regard to the acceptance or rejection of any recommendation or advice from the Firm. For non-discretionary clients, the Firm may not make any changes in the allocation of the client's assets under management without prior approval from the client, with the result that the risk of loss in non-discretionary accounts may increase at times when there is a downturn in the markets and LTS cannot timely reach the client for trading authorization.

Item 17 VOTING CLIENT SECURITIES

LTS does not accept authority to vote company proxies on behalf of clients. Clients retain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investments. Clients will receive proxies or other solicitations directly from the custodian. Clients may contact the Firm to discuss any questions about a particular proxy solicitation.

Item 18 FINANCIAL INFORMATION

LONG-TERM SOLUTIONS, LLC has no financial condition that impairs its ability to meet its contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

PRIVACY NOTICE

LONG-TERM SOLUTIONS, LLC is committed to maintaining the confidentiality, integrity and security of current and prospective clients' nonpublic personal information and adheres to the highest standards of safeguarding such information. As part of this commitment, we have adopted the following privacy policy concerning the collection, disclosure, maintenance and disposal of clients' nonpublic personal information.

Collection of Information

As your investment adviser, **LONG-TERM SOLUTIONS, LLC** collects non-public information from you such as:

- Information we receive from you or in applications or other forms, correspondence, or conversations, including but not limited to your name, address, phone number, social security number, date of birth, annual income, assets, net worth and investment history.
- Information about your transactions with us or others, including but not limited to your account numbers and balances, payment history, parties to transactions, cost basis information, and other financial information.

Disclosure of Information

We will not disclose nonpublic information about you to anyone, except as necessary to carry out transactions you have requested or authorized in connection with our provision of services to you, as required by law, or with your express consent. You have the right to opt out of our disclosure of nonpublic information to non-affiliated third parties, although doing so may prevent us from providing some services to you. We may disclose information about you to the following non-affiliated third parties:

- Authorized securities brokers, financial institutions and custodians;
- Persons acting in a fiduciary or representative capacity on your behalf;
- Attorneys, accountants and consultants to whom you have authorized us to release information;
- Law enforcement agencies or computer security providers for the purpose of protecting against fraud and unauthorized transactions, or in order to maintain the confidentiality of our records; and
- Government agencies, self-regulatory organizations, industry associations and similar bodies in order to fulfill legal requests, investigations, and other legal and regulatory requirements.

On all occasions when it is necessary for us to share your personal information with non-affiliated third parties, we will require that such information only be used for the limited purpose for which it is shared and will require that such third parties not further share such information except to fulfill that limited purpose. We will never sell your personal or financial information to any outside third party.

Protection and Disposal of Information

Our firm has security measures in place to protect you against the loss, misuse and alteration of the information under our control. We maintain physical, electronic, and procedural standards that comply with Federal standards to restrict information access only to those employees providing client services, and to dispose of records in accordance with accepted industry practices.

Inactive and Former Clients

If you decide to close your accounts with **LONG-TERM SOLUTIONS, LLC** we will continue to adhere to our privacy policy and related practices as described above with respect to your accounts.

Please direct all inquiries about this Brochure and **LONG-TERM SOLUTIONS, LLC** to:

Long-Term Solutions, LLC
601 California Street, Suite 750
San Francisco, CA 94108
(415) 321-2950
www.longtermsolutions.org