



**ATHENA CAPITAL ADVISORS LLC**

55 Old Bedford Road, Suite 302  
Lincoln, MA 01773

Telephone: (781) 274-9300  
Facsimile: (781) 274-9190

[www.athenacapital.com](http://www.athenacapital.com)

767 Third Avenue  
21<sup>st</sup> Floor  
New York, New York 10017

September 1, 2015

This Brochure provides information about the qualifications and business practices of Athena Capital Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at (781) 274-9300. 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 Athena is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Athena Capital Advisors LLC is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

## Item 2. Material Changes

Athena Capital Advisors LLC (“Athena” or the “Firm”) is pleased to provide its clients and prospective clients with this Brochure, which is the Firm’s ADV Part 2A. This Brochure contains important information about Athena’s business practices as well as a description of potential conflicts of interest relating to the Firm’s advisory business that could impact a client’s account(s) with us.

Effective July 1, 2015 David Lynch was named President while remaining Athena’s Deputy Chief Investment Officer, Melissa Mattison was named Chief Operating Officer, and Leonard Lewin was named Vice Chairman in addition to his role as General Counsel.

December 31, 2014 Assets Under Management have been restated to reflect updated valuations. The updated total is: \$5,961,721,181.

Effective September 1, 2015, Zung Nguyen is no longer Managing Director, Executive Wealth Advisor. He may serve as a consultant for Athena.

### Item 3. Table of Contents

Item	Section	Page Number
1.	Cover Page	1
2.	Material Changes	2
3.	Table of Contents	3
4.	Advisory Business	4
5.	Fees and Compensation	6
6.	Performance-Based Fees and Side-by-Side Management	9
7.	Types of Clients	9
8.	Methods of Analysis, Investment Strategies and Risk of Loss	9
9.	Disciplinary Information	11
10.	Other Financial Industry Activities and Affiliations	11
11.	Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading	11
12.	Brokerage Practices	12
13.	Review of Accounts	13
14.	Client Referrals and Other Compensation	14
15.	Custody	14
16.	Investment Discretion	14
17.	Voting Client Securities	15
18.	Financial Information	15

## Item 4. Advisory Business

### Introduction

Athena is an investment advisory firm providing highly customized portfolio management, research and related wealth management services to a national client base of high net worth individuals, families and nonprofit institutions. The Firm was founded in 1993 by Dr. Lisette Cooper and is a privately owned, fee-only, independent registered investment adviser. Athena's principal place of business is located in Lincoln, Massachusetts. Athena also has an office located in New York, New York.

Athena Capital Advisors, Inc. is Athena's direct majority owner and Dr. Lisette Cooper, Managing Partner, Chief Executive Officer and Chief Investment Officer, is Athena's indirect majority owner. There are other investors who own minority stakes, including a group of senior employees. Please note that clients may, and do, serve on Athena's Board of Directors.

As of December 31, 2014, discretionary assets under management were \$5,147,974,667 and non-discretionary assets under management were \$813,746,514, totaling \$5,961,721,181.

### Investment Services

Athena serves a sophisticated group of high net worth private investors, including individuals and families with substantial wealth, as their external Chief Investment Officer and investment staff. Many of the Firm's families have a variety of accounts such as trusts, limited liability companies and family limited partnerships and Athena advises all of these entities on their behalf.

Additionally, Athena works with endowments, foundations and other institutions and focuses on providing outsourced chief investment officer services, governance, advisory and portfolio planning and diagnostic services to such entities.

Athena is accustomed to working with clients' lawyers, tax experts and other service providers. The Firm frequently assists clients' extended families, and is skilled in dealing with intra-family matters, estate planning, charitable giving and distribution planning. Athena may serve as trustee, or agent for the trustee, of family trusts. The Firm is also accustomed to working with institutional clients' investment committees, boards of trustees, executives, financial staff, attorneys and other service providers. Athena tailors the solution to best fit the needs of its clients.

### Portfolio Management Services

Athena's services encompass the creation of a tailored investment policy statement (IPS), strategic asset allocation and tactical implementation, manager selection, monitoring and consolidated reporting. Athena has strong quantitative and derivative expertise; and may create customized hedges or other sophisticated transactions and structures to serve the needs of clients and help solve their most complex problems. The Portfolio Management Team periodically reviews and/or revises the IPS to account for changing client circumstances and needs as well as market conditions.

Athena manages accounts on a discretionary or non-discretionary basis, as agreed upon with each client in the IPS. Clients may, however, impose reasonable restrictions on investing in certain securities, types of securities or industry sectors.

Athena develops a customized investment approach for each client based on the client's risk tolerance, return requirements, investable and other assets, time horizon, need for liquidity, legal and tax considerations, inter-generational issues and any other special needs and circumstances. Client investment strategies are generally diversified across a range of asset classes as appropriate, including U.S. equities, foreign equities, real estate, private equity, hedge funds and other alternative investments, bonds, derivatives, futures and cash equivalents.

Based on a client's individual circumstances and needs (as exhibited in the client's IPS), Athena's portfolio management team determines which selected manager's style is appropriate. Athena considers multiple client-specific factors when making investment recommendations. These factors include assessing how well the client's risk tolerance fits with the proposed investment strategy and manager's philosophy, the composition and needs of the client's current portfolio and terms and structure of the proposed investment. Depending on a client's circumstances, Athena may advise investing via a separately managed account, mutual fund, private partnership or through one of our commingled entities. Athena encourages clients to review the investment recommendation memos regarding the particular characteristics of any investment program selected by Athena.

#### Research Services

Athena has an experienced Research Team. This team conducts thorough due diligence with respect to all investments made by Athena. More specifically, the Research Team reviews potential and existing investments, tracks the performance of most sectors of the markets and identifies investments with independent third-party managers demonstrating knowledge and expertise in a particular investment strategy. Upon a client's request, Athena may conduct due diligence on specific investments identified by the client, and meet with specific third-party managers as requested by the client. Athena regularly and continuously monitors the performance of its managers.

At times, Athena may be provided with the opportunity to evaluate investments that are being offered by, or through, the direct and affiliated business operations of Athena's clients. In response to a client's request, and as deemed suitable and appropriate, Athena's Research Team will assist in gathering information on such opportunities, distribute the information gathered and assist in creation of term sheets. Athena considers these opportunities as they arise, and recommends them to other clients if the investment is deemed appropriate, but with full disclosure that a pre-existing relationship is attached to the opportunity.

Athena has particular expertise in alternative investment management, including the design of customized portfolios of hedge funds and other private investments. Athena's extensive relationships, and those of our clients, provide unique knowledge and access to some of the highest quality specialized investment funds. Athena may also advise clients on direct investment transactions. To enable clients to invest in alternative investment strategies, Athena has created several pooled investment vehicles (the "Commingled Funds") that allow clients to combine their funds with other clients in order to meet minimum participation thresholds. There is no additional fee for such clients, other than reimbursement to the vehicle for the direct operational expenses (legal, accounting and administrative costs) incurred by such vehicle. Such expenses are shared on

a pro-rata basis by the participants in such vehicle. Participation in these vehicles is at the client's discretion.

Athena also serves as the investment adviser to several other unregistered fund-of-funds (the "FOFs", and together with the Commingled Funds, the "Athena Funds") that provide diversified commingled investment strategies for qualified investors. Clients may participate in the Athena Funds as part of their overall services and typically do not pay the management fee.

#### Other

Athena does not provide legal or tax advice.

## Item 5. Fees and Compensation

### Portfolio Management and Sub-Advisory Services

The fees for portfolio management and sub-advisory services are typically based upon a percentage of assets under management and generally range between 0.30% and 1.00%. Fees may be subject to negotiation, however, based on various factors, such as, but not limited to, the total assets to be managed, the number of accounts being managed and the level of complexity of the client's portfolio structure.

The minimum annual fee for portfolio management and sub-advisory services is typically \$150,000, and may be waived from time-to-time.

Additional non-management services such as trustee services, bill-paying, consolidated reporting and service provider search and coordination may be included in the overall advisory fee charged to the client or charged separately, depending on the terms of the client's agreement with Athena.

### Athena Funds

### Commingled Funds

As discussed in Section 4 of this Brochure, clients may, at their discretion, invest in alternative investment strategies through the Commingled Funds. There is no additional fee associated with such funds other than reimbursement to the vehicle for the direct operational expenses (legal, accounting and administrative costs) incurred by such funds. Such expenses are shared on a pro-rata basis by the participants in such vehicle. Below is a list of the Commingled Vehicles and a brief explanation of what each vehicle invests in.

- Athena CDR Fund VII, LLC – Formed to invest in a private equity fund and to otherwise invest in securities or interests in real estate and any other business or activity.
- Athena Cypress Realty V, LLC – Formed to invest in a private real estate fund and to otherwise invest in securities or interests in real estate and any other business or activity.
- Athena Select Fund, LLC – Formed to acquire and invest in interests in hedge funds or similar investment vehicles.

- Athena Select Private Investment Fund, LLC – Formed to acquire and invest in interests in private equity funds or similar investment vehicles.
- Athena Select Real Estate Investment Fund, LLC – Formed to invest in private equity funds that invest in real estate.
- Federal Street Partners, LLC – Formed to invest in hedge funds and other investment vehicles.

## FOFs

Clients may also participate in the FOFs as part of their overall services. Athena may be paid administrative fees or management fees for the cost, however, to date Athena's practice has been to waive the management fees for current clients of the Firm and therefore clients typically do not pay the management fee. Athena may be paid administrative fees and/or management fees for the cost of administering the business affairs of the investment entities (to date Athena's practice has been to waive the management fees and instead include the clients' interests in these entities as managed assets subject to the Firm's advisory fee schedules).

Below please find additional information about the FOFs and their strategies and fee schedules.

## Athena Alpha Investors

Investors in the Athena Alpha Investors family of funds (encompasses a Master Fund, an onshore feeder and an offshore feeder, together, the "AAI Funds") are subject to an annual fee of 1.00% of the net assets under management with respect to each investor. Pursuant to a sub-advisory agreement between the Management Company of the AAI Fund and Athena, Athena receives 100% of the management fee. There is no performance based fee pertaining to the AAI Funds, however, investors will be indirectly subject to performance-based fees as a result of the underlying investments by the AAI Funds in other managers. The AAI Funds may invest in affiliated funds which may or may not waive their performance-based fees.

## Athena Olive Tree

Investors in Athena Olive Tree are subject to an annual fee of 0.85% of the net assets under management with respect to each investor. Pursuant to a sub-advisory agreement between the Management Company of Athena Olive Tree and Athena, Athena receives 100% of the management fee. There is no performance-based fee pertaining to Athena Olive Tree, however, investors will be indirectly subject to performance-based fees as a result of the underlying investments by Athena Olive Tree in other managers. Athena Olive Tree may invest in affiliated funds which may or may not waive their performance-based fees.

## Athena Stonehorse

Investors in Athena Stonehorse are subject to an annual fee of 1.00% of the net assets under management with respect to each investor. Pursuant to the governing documents of Athena Stonehorse, Athena is entitled to directly charge investors in Athena Stonehorse a performance-based fee. In measuring an investor's net profits for the calculation of performance fees, Athena will typically include both realized and unrealized gains and losses during the relevant period. Pursuant

to an investment management agreement with Athena Stonehorse, its management company receives 100% of the management fee.

As discussed elsewhere in this Brochure, clients who invest in the AAI Funds, Athena Olive Tree and Athena Stonehorse typically do not pay the management fee associated with such investments.

### Athena Catholic Values

Investors in Athena Catholic Values are subject to an annual fee of 1.15% of the net assets under management with respect to each investor. Pursuant to a sub-advisory agreement between the Management Company of Athena Catholic Values and Athena, Athena received 100% of the management fee. There is no performance based fee pertaining to Athena Catholic Values, however, investors will be indirectly subject to performance-based fees as a result of the underlying investments by Athena Catholic Values in other managers.

### Fees in General

All fee arrangements are expressly outlined in the client's Investment Advisory Agreement (IAA) with Athena.

Portfolio management fees are charged in advance at the beginning of each quarter, based upon the net value of the assets in the client account on the last business day of the previous two quarters, pro-rated for additions and withdrawals.

Depending on the particular arrangement with various clients, Athena will either invoice clients or directly debit their custodial accounts for Athena's advisory fees.

Fees and account minimums for all services are negotiable based upon certain client specific criteria, primarily involving the level of complexity of the portfolio and total assets to be managed.

Athena may aggregate certain related client accounts for the purposes of determining the account size and/or annualized fee.

Certain legacy client agreements may be governed by fee arrangements different from those listed above.

### Account Termination

The client may terminate its IAA by providing Athena with a 90-day written notice at Athena's principal place of business. Upon termination of any agreement, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Upon termination of their IAA with Athena, clients who invested in the FOFs will be subject to the terms of each fund's agreement and will pay Athena the prescribed management fee on these investments from the date of termination through the date of client's interest liquidation in the FOFs.

### Investment Funds' Fees and Expenses

All fees paid to Athena for investment advisory services are separate and distinct from the fees and expenses charged by investment funds that Athena might recommend for a client's portfolio (such



as mutual funds, ETFs, separately managed accounts, hedge funds, real estate funds and private equity funds). These fees will generally include a management fee, other fund expenses and in certain cases a distribution fee and/or a performance-based incentive fee paid to the manager of the fund. The client should review both the fees charged by these investment funds and the fees charged by Athena to fully understand the total amount of fees to be paid by the client and to better evaluate the advisory services being provided.

#### Brokerage, Custodial and Third-Party Manager Fees

In addition to advisory fees paid to the Firm, clients will also be responsible for all transaction, brokerage, trade-away and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding Athena's brokerage practices. All fees charged by selected third-party managers and/or funds are incurred by clients in addition to Athena's advisory fees.

### Item 6. Performance-Based Fees

Athena does not charge any performance-based fees (fees directly based on a share of capital gains on or capital appreciation of the assets of a client), unless otherwise described in this brochure.

### Item 7. Types of Clients

Athena provides investment advisory and management services to individuals, family offices, trusts, estates, charitable organizations, corporations and other business entities as well as institutional clients such as endowments, partnerships and limited liability companies.

Athena does not require a minimum account size.

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

Athena's core investment strategy and philosophy is based on the endowment model – structuring fully diversified portfolios that focus on strong and sustainable risk-adjusted returns over a long-term investment horizon. Of course, with unique investment objectives for each client, each portfolio is then highly customized to each client's needs. Clients should be aware that investing involves risk, including risk of loss.

#### Strategic Asset Allocation

Athena builds investment portfolios that are based on long-term strategic asset allocations that seek to:

- Achieve a target investment return while balancing risk, return and minimizing taxes;
- Be robust under foreseeable economic circumstances;
- Be well-diversified by type of market exposure and manager strategy; and
- Incorporate both historical and forward-looking expectations of asset and sub-asset class risk/return characteristics.

Strategic target allocations serve as the foundation to managing client portfolios, but are just a starting point. Client portfolios often vary from strategic targets based on tactical shifts (as discussed below) or client-directed tilts to the portfolio.

### Tactical Asset Allocation

Athena seeks to enhance client portfolio returns by tactically adjusting asset class or sub-asset class exposures. For example, Athena may overweight exposures that the Firm believes have attractive risk/return characteristics on a 6-18 month forward-looking basis.

### Manager Selection

Athena implements asset allocation strategies using a mix of alpha and beta instruments, including long/short structures (i.e., hedge funds), active long-only managers and passive investment vehicles. In less efficient markets, the Firm is more likely to express views using an active management approach. In more efficient markets, Athena typically uses more cost-effective, index-oriented instruments.

### Third-Party Manager Analysis

Athena examines the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Athena monitors the manager's underlying holdings, strategies, concentrations and leverage as part of overall periodic risk assessment. Additionally, as part of the due-diligence process, Athena surveys the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. Additionally, as Athena does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for the Firm's clients. Moreover, as Athena does not control the manager's daily business and compliance operations, it is possible to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

It is Athena's policy and practice to conduct robust initial and ongoing due diligence with respect to the investment manager of any prospective fund investment and to monitor any selected investment manager on an on-going basis to determine and evaluate: the portfolio management team's background, experience and philosophy; the process by which the manager makes investment decisions; how those decisions are implemented; the manager's investment track record in both up and down markets; the manager's risk management controls, parameters and evaluation process and the adequacy and effectiveness of the manager's operational and compliance controls and infrastructure.

### Portfolio Construction

Athena considers two broad factors when creating an investment strategy and portfolio: client-specific investment objectives and market research. Client-specific investment objectives include overall portfolio goals, risk tolerance, time horizon, liquidity needs, cash flow requirements, tax, legal,

and entity considerations and any other client specific circumstances. Athena's market research and quantitative analytics are then incorporated into the analysis of the portfolio. For new clients, this process leads to the creation of an IPS, which provides specific guidelines for managing the portfolio, including any new entity structuring. For existing clients, the main focus during regular portfolio updates is on performance, sourcing and tactical implementation.

A core component of Athena's portfolio construction process is the maximization of risk-adjusted portfolio returns for a given amount of portfolio risk. Athena incorporates proprietary qualitative and quantitative market research, which include factors such as the current economic environment, recent changes in liquidity, new market regulations and current efficiency in markets to generate expected returns. Then, by utilizing historical asset class volatilities and correlations to calculate a portfolio's risk, Athena can then run an optimization to create a portfolio for a specified risk profile.

### Risk Management

Client portfolio risk is regularly assessed along multiple dimensions of risk, including market risk, liquidity risk, concentration risk and franchise risk among others. Diversification across risk factors is a key philosophy driving Athena's investment process, and is performed using a number of custom built analytics that help expose to portfolio advisors the underlying risks in a client portfolio.

## **Item 9. Disciplinary Information**

None.

## **Item 10. Other Financial Industry Activities and Affiliations**

Athena serves as the advisor, sub-advisor, or is related by virtue of common ownership and control to entities that serve as general partners or managers to the Athena Funds. Please refer to Items 4 and 6 of this Brochure for additional details and important conflict of interest disclosures.

As part of managing a client's portfolio Athena may recommend investments in the FOFs to certain clients. Such recommendations may create a conflict of interest to the extent that Athena has an incentive to recommend its affiliated funds to its clients in an effort to receive additional fees. Athena manages any such conflict of interest by typically waiving the performance-based fees and management fees with respect to such investments by its clients. Please also see Item 5 of this Brochure for additional information about fees.

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

### Code of Ethics Disclosure

Athena has adopted a Code of Ethics which sets forth high ethical standards of business conduct required of the Firm's employees, including compliance with applicable federal securities laws. Athena's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, the Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial

public offering. The Code of Ethics provides for oversight, enforcement and recordkeeping provisions. A copy of the Code of Ethics is available to Athena's advisory clients and prospective clients upon request to Dana O'Brien, Vice President, Deputy General Counsel and Chief Compliance Officer, at the Firm's principal office address.

Athena or individuals associated with Athena may buy or sell publicly and privately held securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as Athena may have an incentive (to the extent possible) to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of the Firm's fiduciary responsibilities, Athena has established the following restrictions:

- No Athena employee may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No Athena employee may prefer his or her own interest to that of the client;
- Athena has policies and procedures in place to ensure that employees do not benefit from transactions placed on behalf of client accounts;
- Athena maintains a list of all securities holdings for Athena and anyone who is associated with Athena with access to client recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer;
- Athena does not aggregate employee trades with client trades;
- Athena emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where Athena is granted discretionary authority;
- All of Athena's employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
- Any individual not in observance of the above may be subject to disciplinary action or termination.

## Item 12. Brokerage Practices

Athena endeavors to select those broker dealers, including the use of outsourced trading firms, which will provide the best services at the lowest prices and commission rates possible. The reasonableness of commissions is based on the broker's ability to provide expert execution skills, professional services, competitive commission rates, research timeliness and track record of profitable investment ideas, portfolio strategies, forecasts and other services which will help Athena in providing investment management services to clients. In order to help ensure best execution for clients, Athena has outsourced some public trading services for client transactions to The Conifer Group, LLC. These services may result in additional fees for clients.

### Research and Other Soft Dollar Benefits

Athena does not have any formal soft-dollar arrangements.

### Directed Brokerage

If a new advisory client already has a pre-existing relationship with a broker and instructs Athena to execute some or all transactions through that broker, it should be understood that under those circumstances, Athena will not have the authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. Additionally, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients since Athena may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

### Trade Aggregation

Athena generally aggregates client trades when doing so is advantageous to clients. Typically, Athena will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If Athena determines that aggregation of trades in a certain situation will be beneficial to clients, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives, risk tolerances and existing concentrations, tax considerations, investment restrictions, performance relative to the applicable benchmark, performance relative to other accounts in the same strategy and desire to avoid “odd lots” (an amount of a security that is less than the normal unit of trading for that particular security).

## Item 13. Review of Accounts

The following individuals have the primary responsibility for reviewing client accounts

- Lisette Cooper, Managing Partner, Founder, Chief Executive Officer, Chief Investment Officer
- Leonard Lewin, Managing Partner, Vice Chairman, General Counsel
- David S. Lynch, Managing Partner, President, Deputy Chief Investment Officer
- Anne Marie Towle, Managing Partner, Director of Wealth Strategies
- John Tyler, Managing Director, Foundations and Endowments
- Tyler Rodday, Vice President, Private Client Services
- Alex Paul, Vice President, Portfolio Manager
- Todd Burchett, Vice President, Portfolio Manager
- Michael Lear, Vice President, Portfolio Manager
- Adam Souliere, Portfolio Manager
- Jaclyn Hirl, Associate Portfolio Manager
- Katie Burke, Associate Portfolio Manager
- Benjamin Sweigart, Associate Portfolio Manager
- Ryan Little, Associate Portfolio Manager
- Scott Keto, Associate Portfolio Manager

These individuals work together to monitor the underlying securities in client accounts, as well as the performance of third-party managers selected for client accounts and perform at least quarterly reviews of account holdings and performance for all clients. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative

to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Athena Fund positions will be reviewed in the overall context of the Athena Funds' investment objectives and guidelines. Significant domestic, geopolitical and macroeconomic events may also trigger reviews. Reviewers will also consult with the client's other investment managers, if any, on a regular basis.

In addition to the monthly/quarterly statements and confirmations of transactions that clients receive from their broker dealer, Athena will provide periodic reports (typically quarterly) which detail investment activity, investment holdings, portfolio performance, comparison of the current asset allocation to target allocation and market overview. Selected third-party managers may provide additional reports to clients. Additional reports are provided to clients upon request.

All of the Athena Funds' limited partners or members will receive, as soon as practicable after the end of each taxable year (or otherwise required by law), annual reports containing financial statements audited by the funds' independent auditors as well as such tax information as is necessary for each limited partner or member to complete federal and state income tax or information returns, along with any other tax information required by law.

## Item 14. Client Referrals and Other Compensation

Athena does not compensate third parties for referrals, nor does Athena accept compensation in exchange for making a referral to another firm or advisor.

## Item 15. Custody

Athena's practice is not to have physical custody of client assets. Athena may, however, meet the legal definition of having custody over certain client accounts. For instance, in some circumstances certain Managing Partners of Athena may serve as trustee or hold a power of attorney for a client account. In those situations, generally clients will receive account statements directly from a qualified custodian such as a broker-dealer or bank, and should carefully review those statements. Athena's reports to clients are prepared in part using statements from underlying managers and/or custodians. Athena encourages clients to compare the reports from Athena with the statements received from qualified custodians. Additionally, Athena or its affiliates are general partners or managers of the Athena Funds, and are deemed to have custody of the assets of the Athena Funds. In accordance with the SEC's custody rule, certain accounts over which Athena is deemed to have custody are subject to an annual surprise audit and the Athena Funds undergo an annual financial statement audit.

## Item 16. Investment Discretion

For clients granting Athena discretionary authority to determine which third-party managers to hire and fire and which securities and the amounts of securities that are to be bought for and sold for their account(s), Athena requests that such authority be granted in writing, typically in the executed IPS. Athena is granted discretionary authority in the relevant organizational and offering documents of the Athena Funds to determine which securities and the amounts of securities that are to be bought or sold for the Athena Funds. The Athena Funds' documents may impose reasonable restrictions on investing in certain securities, types of securities or industry sectors.

If a client wishes to impose reasonable limitations on this discretionary authority, such limitations shall typically be included in the IPS. Clients may change/amend these limitations as desired. Such changes must be submitted to Athena by the client in writing.

## Item 17. Voting Client Securities

As a matter of Firm policy, Athena does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. Athena may offer assistance as to proxy matters upon a client's request, (such as advising the clients on the voting questions, and/or referring them to a voting service) but the client always retains the proxy voting responsibility. In the event a client directs custodians to mail proxy statements directly to Athena, the client will sign an acknowledgement stating that Athena is not responsible for exercising voting rights on their behalf, and that Athena will destroy the statements in a secure manner on their behalf.

Athena will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Athena to transmit copies of class action notices to the client or a third party. Upon such direction, Athena will make commercially reasonable efforts to forward such notices in a timely manner.

## Item 18. Financial Information

Under no circumstances will Athena collect fees in excess of \$1,200 more than six months in advance of services rendered.