



CONSTELLATION  
WEALTH ADVISORS LLC  
Member FINRA/SIPC

## *Wrap-Fee Program Brochure*

# CONSTELLATION WEALTH ADVISORS LLC

505 Fifth Avenue  
19th Floor  
New York, New York 10017

Telephone: (212) 697-0500

[Compliance@cwallc.com](mailto:Compliance@cwallc.com)

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

March 31, 2015

**THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT CONSTELLATION WEALTH ADVISORS LLC AND ITS INVESTMENT ADVISORY AND MANAGEMENT PROGRAMS LISTED BELOW THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT IN ANY ONE OF THESE PROGRAMS. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.**

- Asset Management Program
- Independent Advisor Program

**ADDITIONAL INFORMATION ABOUT CONSTELLATION WEALTH ADVISORS LLC IS AVAILABLE ON THE SECURITIES AND EXCHANGE COMMISSION'S ("SEC") WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV). CONSTELLATION WEALTH ADVISORS LLC'S SEC REGISTRATION No. 801-67762 AND CRD No. 142502.**

## Table of Contents

INTRODUCTION .....	2
INDEPENDENT ADVISOR PROGRAM .....	3
Program Description .....	3
Fees .....	4
ASSET MANAGEMENT PROGRAM.....	4
Program Description .....	4
Fees .....	7
OTHER INFORMATION .....	7
Client Information.....	7
Education .....	7
Account Review and Supervision .....	7
Assignment of CWA Financial Advisers.....	8
Mutual Funds as Investment Options .....	8
Proxy Voting.....	8
Costs of the Asset Management Program and Independent Advisor Program.....	9
Additional Information Regarding Fees and Charges .....	9
CWA's Compensation from Mutual Funds .....	10
Termination of Client Investment Management Agreements.....	11
CONSTELLATION WEALTH ADVISORS LLC BROKER-DEALER STATUS.....	11
Code of Ethics.....	11
Potential Conflicts of Interest .....	11
Allocations of Trades and Order Bunching .....	13
Solicitation Activities.....	14
CWA's Asset Management Strategies.....	14
CWA's Investment Strategies .....	15
Broker-Dealer Activities .....	15
BIOGRAPHICAL INFORMATION.....	15

## INTRODUCTION

Constellation Wealth Advisors LLC (“CWA”) offers its investment advisory clients a range of asset and investment management options designed to meet the varied investment needs of its clients. Certain of these Asset Management Programs utilize a “wrap-fee” structure whereby the client pays a single fee to CWA to cover both asset management and execution or other brokerage charges. CWA’s wrap-fee asset and investment management programs (“Programs”) are described in this Brochure. Note that in addition to CWA’s asset and investment management programs, under the terms of some of the Programs described in this Brochure, clients may be subject to other asset management and brokerage charges. These additional charges are described in the individual description for each Program set forth below and in the section of this Brochure entitled OTHER INFORMATION - *Additional Information Regarding Fees and Charges*.

CWA may also provide specialized investment advisory services to clients for a negotiated fee. The services are typically tailored to fit the individual client’s needs. CWA does not maintain a standard fee schedule for this service and the terms of each arrangement are negotiated with the client.

Some of the asset management services described in this Brochure may involve the retention, by the client, or by CWA on the client’s behalf, of third-party asset managers for the provision of portfolio management services. Information about these third-party asset managers is contained in separate Brochures, and is available, to all CWA clients upon request.

In order to ascertain the investment options appropriate for each client, CWA may, as more particularly described below, develop an investment proposal and asset allocation plan for each client.

- **The Investor Profile.** CWA financial advisers will assist with the review and evaluation of a client’s investment objectives. In order to develop a client’s overall suitability, CWA financial advisers will review and evaluate a client’s financial goals and risk tolerances based on an investor profile that the CWA financial advisers completes with the assistance of the client, to reflect the client’s situation. Based on the investor profile, CWA may prepare an investment proposal that includes an asset allocation analysis and identification of investment choices that are consistent with the client’s financial goals and objectives. This proposal provides specific advice about implementing investment decisions through a spectrum of investments.

In the event the client notifies CWA of a change in the client’s investment suitability and objectives contained in its investor profile or investment proposal, CWA will generally generate a revised investment proposal, and if necessary, suggest “rebalancing” of the client’s asset allocation in accordance with the updated information.

- **Investment Advisory Services.** CWA shall periodically provide each client with investment advice, which may include recommendations regarding securities invested in a manner consistent with the client’s investment objectives.

Client account investments may include a portfolio consisting of any combination of some or all of the following: (a) domestic equity securities, including, but not limited to, common stock, convertible preferred stock, convertible bonds, shares of closed-end investment companies, American Depositary Receipts, and any rights or warrants on equity securities; (b) certain foreign equity securities; (c) options on domestic equity securities or indices; (d) load (fee(s))-

waived shares or shares not offered with a load(fee(s)) of certain open-end investment companies; (e) load (fee(s)) carrying shares of certain open-end investment companies (mutual funds, for example), as specified from time to time by CWA, that have been purchased on a load (fee(s)) basis outside of the client's CWA Investment Management Program account; (f) exchange traded funds ("ETFs"); (g) fixed income securities (including, but not limited to, U.S. Treasury and federal agency securities, corporate bonds, municipal bonds, preferred stock, and mortgage-backed securities); (h) cash and cash equivalents (e.g., money market funds and short-term fixed income securities) or (i) alternative investments including investments in hedge, real estate and private equity funds. CWA may add or delete classes of securities or assets from the spectrum of possible client investments from time to time, and upon notice to the client.

CWA provides clients with confirmation of all transactions executed either through CWA's clearing firm Pershing LLC (or another executing broker-dealer, to the extent client account(s) are maintained away from CWA), which also may generally include monthly account statements and quarterly performance reviews. Clients may elect to waive or suppress the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses and offering documents, where appropriate.

Clients have the option to request, in writing, that certain specified securities not be purchased for their account. Also, a client generally may specify that certain categories of securities not be purchased. Under these circumstances, CWA will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, CWA may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

## **INDEPENDENT ADVISOR PROGRAM**

CWA manages client accounts, on a discretionary basis, through the engagement of third-party asset managers who, in turn, manage client accounts again, on a discretionary basis. As part of this Independent Advisor Program, generally client accounts may be maintained away from CWA, at broker-dealers (including, but not limited to, Schwab Institutional, a division of Charles Schwab & Co.), with whom the third-party asset manager(s) has/have established arrangements. Under these arrangements, the possibility exists that certain additional charges may be assessed to the client and will be fully disclosed prior to entering into any agreement. In certain circumstances, CWA may also provide custody, execution (through its clearing firm Pershing LLC) and related services to clients for a single asset-based fee.

All of CWA's Investment Management Programs, including the Independent Advisor Program, are designed to assist clients in developing and implementing a reasoned, systematic, long-term investment strategy tailored to each client's financial circumstances. CWA's financial advisers will assist clients in evaluating their investment objectives and risk tolerances so that they can then invest in a variety of investment products through the development of an investment proposal for each client and by providing investment advisory services to each client on an on-going basis. Under certain circumstances, CWA may recommend a separate custodian for the client and, therefore, may subject them to separate fees for these services.

Based on client needs, from time to time, CWA may create a discretionary asset account employing various investment philosophies tailored to their goals and objectives.

The minimum account size for participation in the Independent Advisor Program is \$5,000,000; however, CWA, in its sole discretion, may accept smaller client accounts for participation in this Program. Note, certain asset managers and investment styles may require different minimums.

### ***Fees***

Our annual fees for the Independent Advisor Program are based upon a percentage of assets under management and generally range from 0.50% to 1.50%. The complete schedule of our advisory fees for the Independent Advisor Program is available upon written request. Under certain circumstances, fees may be negotiated. In certain circumstances, for the Independent Advisor Program a fixed annual fee will be assessed in lieu of fees based upon a percentage of assets under management. The Independent Advisor Program may include Administrative Fees.

### **ASSET MANAGEMENT PROGRAM**

CWA and its financial advisers offer discretionary, individualized asset management services to clients. The minimum account size for participation in this Program is \$5,000,000, although smaller accounts may, in the sole discretion of CWA, be accepted for participation in the Asset Management Program.

The Asset Management Program is managed, administered and overseen by CWA and its staff. Client accounts are managed by CWA's financial advisers and portfolio managers. CWA's financial advisers assist clients in determining investment objectives and then manage each client's account on a discretionary basis in a manner consistent with those objectives.

In managing client accounts, the financial adviser is subject to certain guidelines established by the Asset Management Program relating to economic sector and security diversification, approval of securities including stocks, bonds, mutual funds, foreign exchange, listed securities and Exchange Traded Funds ("ETFs"), which may be purchased for client accounts.

CWA's financial advisers managing client assets under the Asset Management Program will utilize a variety of investment strategies, in their discretion, based upon a number of factors including client investment objectives, risk tolerance and amount of assets under management.

All of CWA's investment programs including the Asset Management Program are designed to assist clients in devising and implementing a reasoned, systematic, long-term investment strategy tailored to each client's financial circumstances. CWA's financial advisers will assist clients in evaluating their investment objectives and risk tolerances so that they can then invest in a variety of investment products through the development of an investment proposal for each client and by providing investment advisory services to each client on an on-going basis.

In certain circumstances, client accounts invested in the Asset Management Program are maintained and custodied at Charles Schwab & Co. or other independent and non-affiliated firms. The Adviser will make every reasonable attempt to execute all transactions for all clients as contemporaneously as possible. Generally all trades for client accounts are executed with the custodians firm account. On occasion the Adviser may execute a trade for a client with a broker other than the custodian.

Investment strategies may include any of the following for client accounts managed in this Program:

### Constellation Dividend Growth: GIPS® Verified Strategy<sup>1</sup>

Constellation Dividend Growth is diversified portfolios of equities (and at times other securities) that generally pay a dividend and have the potential to increase that dividend over time. The focus for this portfolio is generally on the following types of companies:

- Companies which currently pay dividends, and have a strong record of dividend growth over their recent history.
- Companies that generate strong and consistent cash flows but currently may have low distributions to shareholders.
- Special situations which include companies that have higher yields but have not recently increased their distributions (or at times, companies that have no dividends currently). These companies may be in a potential turnaround situation.

The majority of equities in the dividend-oriented portfolio will be considered large and mid-capitalization equities, and will be diversified among industries to reduce risk. We intend to hold approximately thirty to forty positions under this strategy (but could vary over time as opportunities permit) to provide additional diversification. The portfolio has the flexibility to use other securities in addition to equities such as ETFs, bonds, convertible debt and preferred stocks when the opportunity arises. The Constellation Balanced Dividend Portfolio is available to accommodate investors who seek fixed-income exposure as it is structured with approximately fifty percent of Constellation Dividend Growth with the remainder being invested in fixed-income securities consisting primarily of municipals and corporate debt.

### Global Equity Portfolio: GIPS® Verified Strategy

The Global Equity Portfolio is a globally diversified portfolio managed by the Adviser comprised of principally Mutual Funds and ETFs. The portfolio seeks to achieve capital appreciation over a market cycle. A portion of the portfolio is dedicated to core investment themes, which will generally have a long-term bias and likely will focus on equity market exposure. These core investments will be selected with an intended holding period of two years or more. A portion of the portfolio is dedicated to tactical, or opportunistic, investment themes, which will vary over time. The intended holding period for such investments will generally be shorter than the core themes. This portion of the portfolio will evaluate investments that are non-equity oriented, such as fixed-income securities or commodities. It may also explore market sector exposures, regional and geographical concentrated investments, short trading vehicles, or hold cash balances strategically. The Global Equity Index Portfolio is available to accommodate clients who seek global equity exposure using passive vehicles only. The Constellation Balanced Global Portfolio is available to accommodate clients who seek global equity exposure and fixed-income exposure in one account. It is structured with a portion of the account managed under the guidelines of Global Equity Portfolio and the remainder invested in fixed-income securities comprised generally of municipals and corporate debt.

---

<sup>1</sup> Global Investment Performance Standards (GIPS®) are a set of standardized, industry-wide ethical principles that provide investment firms with guidance on how to calculate and report their investment results to prospective clients. GIPS® is not affiliated with Constellation Wealth Advisors LLC. GIPS report is available upon request.

### Domestic Small Cap Equity Portfolio:

The Domestic Small Cap Equity Portfolio is designed to provide equity exposure within smaller capitalization U.S. based companies. The portfolio seeks to outperform its passive index benchmark over a complete market cycle. A mix of positive and active vehicles may be used. The Portfolio will be allocated among value and growth styles based on the relative merits of each at any given time.

### International Equity Portfolio:

The International Equity Portfolio is designed to provide equity exposure in markets outside of the United States. The portfolio seeks to outperform its passive index benchmark over a complete market cycle. The portfolio weights its allocation between emerging and developed international markets based on the relative merits of each at any given time. The portfolio also balances its weightings among market capitalization profiles realizing that some of the smaller market cap stocks may better isolate exposure to growth rates within the country of domicile.

### Strategic Income Portfolio: GIPS® Verified Strategy

The Strategic Income Portfolio is a diversified portfolio of fixed income mutual funds and ETFs managed by CWA. The portfolio seeks to balance capital preservation with delivering portfolio income. A portion of the portfolio is dedicated to core investment themes, which will generally have a long-term bias and achieve broad exposure to the Fixed Income markets. A portion of the portfolio is dedicated to tactical, or opportunistic, investment themes, which will vary over time. The intended holding period for such investments will be shorter than the core themes. This portfolio will evaluate investments that are non-core fixed income oriented. It may also explore market sector exposures, regional and geographical concentrated investments, short trading vehicles, alternative strategies, or hold cash balances strategically.

### Global Alternatives Portfolio: GIPS® Verified Strategy

The Global Alternatives Portfolio is a diversified portfolio of non-traditional strategies traded in a mutual fund or ETF format. The portfolio seeks to achieve capital appreciation with an emphasis on reducing volatility over a market cycle. The portfolio is dedicated to tactical, or opportunistic, investment themes, which will vary over time. The portfolio will generally evaluate investments that pursue non-traditional equity oriented strategies, which may allow the underlying mutual fund managers to be both long and short simultaneously while maintaining daily liquidity. It may also explore market sector exposures, regional and geographical concentrated investments, short trading vehicles, or hold cash balances strategically.

We manage a number of Private Funds including Hedge Funds and Real Estate Funds. Investments in a private fund<sup>2</sup> are illiquid investments and cannot be readily redeemed. Please

---

<sup>2</sup> Individuals need to qualify as an “accredited investor” in order to be eligible to become a subscriber in a private fund. The Investor must have a net worth, or joint net worth with his or her spouse, in excess of \$1,000,000. The term “net worth” means the excess of total assets at fair market value, including home furnishings and automobiles, over total liabilities; provided that, (i) the Investor's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the Investor's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of the Interests, shall not be included as a liability (except that if the amount of such

refer to their respective Confidential Private Offering Memorandum for further details. The Adviser may from time to time recommend other illiquid investments. Investors are advised to read the respective Confidential Private Offering Memorandum in detail to understand the liquidity and risks inherent with these investments.

### ***Fees***

Our annual fees for the Asset Management Program are based upon a percentage of assets under management and generally range from 0.50% to 1.50%. The complete schedule of our advisory fees for the Asset Management Program is available upon written request. Under certain circumstances, fees may be negotiated. In certain circumstances, for the Asset Management Program a fixed annual fee will be assessed in lieu of fees based upon a percentage of assets under management. The Asset Management Program may include Administrative Fees.

The minimum account size for this program is \$5,000,000 although smaller accounts may, in the sole discretion of CWA, be accepted.

## **OTHER INFORMATION**

### ***Client Information***

In either of the Asset Management Program and Independent Advisor Program, the CWA financial adviser will request documentation from the client concerning the client's financial situation and investment objectives. Additionally, the CWA financial adviser will ask the clients questions to establish an investor profile and analysis. The CWA financial adviser then submits the investor profile and analysis or other similar documentation to CWA's senior management team for final review. Clients may update or change information at any time by contacting their CWA financial adviser.

### ***Education***

Generally, a college degree or financially-oriented business experience is required for CWA personnel that provide investment advisory or consulting services to clients, other than clerical or administrative services, to clients. Individuals providing investment advice must also have demonstrated business expertise in successfully analyzing investor needs and qualitatively analyzing the performance of securities investments. A complete listing of each principal executive officer of CWA, as well as personnel having managerial or supervisory responsibility with regard to the investment advisory services described in this Brochure can be found in the section titled BIOGRAPHICAL INFORMATION.

### ***Account Review and Supervision***

CWA employs approximately eleven financial advisers which include members of CWA's senior management team. Each financial adviser reviews and monitors client accounts assigned

---

indebtedness outstanding at the time of sale of the Interests exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability), and (iii) indebtedness that is secured by the Investor's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of the Interests shall be included as a liability. Individuals may also need to qualify as a "qualified purchaser" in order to be eligible to become a subscriber in a private fund as such term is defined in Section 2(a)(51) of the Investment Company Act or a "knowledgeable employee" as defined in Rule 3c-5 under the Investment Company Act.



to them on an on-going basis, and are subject to continuous review and oversight of CWA's senior management team. CWA financial advisers are responsible for the overall management of client accounts, including tracking and continually reviewing the performance of client investments, client portfolio allocations, and their performance. CWA financial advisers generally maintain regular contact with clients through periodic delivery of account statements and performance reviews, (described below) as well as regular telephone contact. CWA clients may also generally receive monthly account statements as well as quarterly reports which include an analysis of the client's portfolio holdings and, to the extent CWA has engaged third-party asset managers, a description of third-party investment strategies and performance. In addition to scheduled and ongoing account reviews, triggering events for more frequent account reviews include the need to change a third-party asset manager engaged on a client's behalf, the decision by CWA to change the current asset allocation for a particular client or group of clients, the need to review tax implications of client investments, and the occurrence of investment or non-investment related events which may impact clients.

### ***Assignment of CWA Financial Advisers***

In each of the Programs described in this Brochure, client accounts are assigned by CWA to a financial adviser based upon various factors, including, but not limited to, the financial adviser's investment experience in relation to a client's individual investment needs and the Program selected by the client.

### ***Mutual Funds as Investment Options***

Mutual fund companies typically offer different ways to allow clients to purchase mutual fund shares. Some mutual funds will only offer one share class for a particular fund while some funds offer many types of share classes. In addition to the more broadly known retail share classes (A, B, and C shares), fund companies have developed additional types of specialized share classes designed for specific advisory Programs. If available, clients will be converted into the share class that is required by the fund company for that type of account. Depending on the circumstances, clients may be converted into a share class that has a lower operating expense or a higher operating expense. CWA seeks to minimize third-party expenses as part of our investment selection process.

### ***Proxy Voting***

CWA will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. CWA will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If CWA has a conflict of interest in voting a particular action, CWA will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting CWA by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how CWA voted proxies for his/her account(s), CWA will promptly provide such information to the client.

With respect to ERISA accounts, CWA will vote proxies unless the plan documents specifically

reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact CWA by telephone, email, or in writing.

CWA vote proxies for some, but not all of our clients. Clients may, at their election, choose to receive proxies related to their own accounts, in which case CWA may consult with clients as requested.

### ***Costs of the Asset Management Program and Independent Advisor Program***

Clients who participate in the Programs described in this Brochure and who pay asset-based fees for a variety of services may pay more or less for such services than if they purchase such services separately. Factors that bear upon the cost of the Programs described in this Brochure in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

A portion of the fees and/or brokerage charges imposed by CWA for the Programs offered in this Brochure may be paid to CWA financial advisers in connection with the introduction of accounts as well as the provision of services. Such payments may be made for the duration of client accounts. The amount of the fees received by CWA, and CWA financial adviser may be greater if: the client participates in an asset-based fee program instead of paying separately for investment advice, brokerage and other services or the client's portfolio is managed by a CWA financial adviser rather than an unaffiliated asset manager. In addition, with Constellation Dividend Growth, CWA may retain a larger portion of the fee when a CWA financial adviser is used, since no part of the fee is shared with a third-party asset manager. Because of these factors, CWA may have a financial incentive to recommend certain alternative methods of paying program fees and charges (e.g., asset-based fee) over another alternative (e.g., fee plus commission), or one Program (e.g., a CWA Program using a CWA financial adviser) over another program (program using an unaffiliated third-party asset manager).

### ***Additional Information Regarding Fees and Charges***

In addition to the asset-based fees and conventional fees specified above, clients of CWA may pay additional fees or charges in connection with their accounts or certain securities transactions. These may include: commissions and other charges for executing transactions (except in the case of asset-based program trades executed through CWA's clearing firm Pershing LLC); dealer "mark-ups," "mark-downs" and "spreads;" auction fees; certain odd-lot differentials; exchange fees; transfer taxes; electronic fund and wire transfer fees; charges imposed by custodians other than CWA; certain fees in connection with custodial, trustee and other services rendered by third parties; SEC fees on securities trades; any other charges mandated by law; and certain fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts.

If an open or closed-end mutual fund or an ETF is utilized by CWA as an account investment, any such fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider. In addition, an open-end mutual fund may charge distribution or servicing fees. In both cases these fees or expenses will be in addition to the fee paid by the client on the account.

In the event that any of the assets in a client's account are invested in shares of an open-end or closed-end mutual fund, including any money market mutual fund, the investment adviser or distributor of any such fund may pay a portion of the fees it receives from such fund to CWA. Although any such fees received by CWA will be in addition to the fees received by CWA from the client, the fees paid by the client, either as a client of CWA or as an investor in such mutual fund, will not be any greater as a result of any such payment than they would have been if such payment were not made to CWA.

To the extent that fees or commissions charged are negotiable, they may differ from client to client based upon a number of factors, including, but not limited to, the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplemental advisory and client-related services to be provided to the account. Moreover, fee minimums and account minimums may vary as a result of the application of prior schedules depending upon customer account inception date. Minimum account sizes also may be waived under certain circumstances. Performance-based fees may also be charged to eligible clients, are negotiable, and will be in compliance with any applicable provisions of Rule 205-3 under the Investment Advisers Act of 1940. From time to time, the fees for certain of the advisory services described in this Brochure may be reduced for employees of CWA. For more information regarding the above, contact your CWA financial adviser.

Additional assets received or withdrawn in an account during any billing period may be charged or credited a pro-rata fee based on the number of days remaining in the billing period.

Generally, interest will be charged to a client's account should the account have a debit balance as a result of the client's activity. *Any debit balance will not be deducted from the account balance for the purpose of the calculation of the advisory or consulting fee due to CWA.*

In the asset-based fee Programs described in this Brochure, CWA or the third-party asset manager retained by the client is obligated to seek the best net results (price, research, and execution) with respect to securities trades undertaken for each client. In seeking best execution with respect to equity securities and other instruments traded in the "agency" markets (typically those executed through an exchange, to which orders are directed by a broker-dealer acting as agent for a client), CWA or the third-party asset manager may direct orders to CWA. In connection with these trades, the asset-based fee client will not pay CWA any commissions. Alternatively, CWA or the third-party asset manager, in its discretion, may direct agency trades to other broker-dealers that are unaffiliated with CWA; in such instances the client will bear the cost of commissions charged by the executing broker-dealer.

### ***CWA's Compensation from Mutual Funds***

Certain mutual funds available through the Programs described in this Brochure may offer additional compensation to CWA in the form of 12b-1 fees<sup>3</sup>, management and administrative fees, transfer agency fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other fund related fees. However, under the Programs described in this Brochure, CWA will not seek or retain any fund fees from participating funds, their sponsors, investment advisers or other service providers, and will credit the client's account in the amount of any such fees received by CWA.

---

<sup>3</sup> 12b-1 fees are additional fees charged by some mutual funds to cover promotion, sales distributions, and marketing expenses and occasionally will be received by the broker-dealers to subsidize their cost for servicing the investor.

### ***Termination of Client Investment Management Agreements***

Investment Management Agreements between clients and CWA shall continue in effect until terminated by either the client or CWA by giving notice to the other in writing at least seven (7) days prior to the date of termination (the “Termination Date”). Effective with the Termination Date, CWA and any third-party asset managers that it has engaged to manage all or part of a client’s assets shall refrain, without liability, from taking any further action with respect to the client account and CWA and the third-party asset managers will cease to be entitled to receive advisory fees for any period following the Termination Date. If an Investment Management Agreement is terminated after fees have been collected in advance for a given period, a *pro-rata* refund of such fees will be paid to the client for that period.

Clients may also terminate Investment Management Agreements with CWA, without penalty within five (5) business days after the date of execution, provided however, that any investment action taken by CWA, with respect to the client account prior to the effective date of such termination, shall be at the client’s risk.

### **CONSTELLATION WEALTH ADVISORS LLC BROKER-DEALER STATUS**

In addition to being registered as an investment adviser with the SEC, CWA is registered with the SEC as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the Municipal Securities Rulemaking Board (“MSRB”) and the National Futures Association (“NFA”). CWA is also registered as a broker-dealer in those states where it solicits and/or maintains customer brokerage accounts and is not otherwise exempt from such registration.

### ***Code of Ethics***

As part of an overall internal compliance program, CWA is subject to a Code of Ethics and related policies and procedures (collectively, the “Code of Ethics”) which impose standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code of Ethics also imposes restrictions on personal employee securities transactions and accounts. Such restrictions include, for all employees, prohibitions on trading in securities while in possession of related material nonpublic information. In addition to this certain CWA employees, including CWA financial advisers, are subject to minimum holding periods, and reporting of personal securities accounts, transactions and/or holdings to CWA’s senior management. The intent of the Code of Ethics includes minimizing potential conflicts of interests between employees and investment advisory clients and assuring compliance with applicable laws and regulations.

Existing and prospective CWA clients may obtain copies of the Code of Ethics by contacting the Chief Compliance Officer (“CCO”) at (212) 697-4900 and [Compliance@cwallc.com](mailto:Compliance@cwallc.com).

### ***Potential Conflicts of Interest***

CWA provides a variety of services for various clients. CWA client portfolios may include securities in which CWA, its officers, or employees also have positions. CWA receives compensation and fees in connection with the provision of the aforementioned services. As part of an overall internal compliance program, CWA has adopted policies and procedures imposing certain conditions and restrictions on transactions for CWA’s own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any

improper or abusive conduct when potential conflicts of interest may exist with respect to a customer or client.

From time to time, restrictions are imposed by CWA to address the potential for self-dealing by CWA and conflicts of interest which may arise in connection with CWA's business as a broker-dealer.

CWA or its financial advisers may buy and sell securities that are recommended to its clients for purchase and sale. CWA financial advisers also may give advice and take action in performance of their duties to clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts. Moreover, CWA may advise or take action with respect to itself differently than with respect to clients. In addition, CWA and, its employees, including CWA financial advisers, may invest with any investment management firm. At any time, CWA may have an opinion or position on a particular security that runs contrary to that of a third-party asset manager.

Third-party asset managers participating in the Programs described in this Brochure may make payments to CWA for marketing, promotional and related expenses; for expenses incurred in connection with training or educational seminars with CWA financial advisers and other CWA personnel; or for expenses incurred in connection with client or prospective client meetings relating to participation in the Programs described in this Brochure. In addition, third-party asset manager firms and their affiliates may provide CWA financial advisers and clients (existing and prospective) with related items and benefits. These expenses, items and benefits may include, without limitation: training meeting costs for CWA financial advisers or other personnel, including payments for travel, lodging and meals for attendees; payments of costs for client/prospect meetings at which the asset managers' or their affiliates' services or investment products are discussed, including meals for attendees, room rental costs and meeting-related presentation materials; occasional meals and leisure/entertainment outings; *de minimus* gifts; and nominal value promotional items.

The amount of such payments and the value of such items and benefits may or may not be substantial, but will be determined as such at the sole discretion of CWA. Although these payments, items and benefits will not be pre-conditioned on sales targets and levels, they nevertheless could give CWA and its financial advisers' an incentive to favor one third-party asset manager over another that does not provide the same items, payments and benefits. However, such payments, items and benefits are subject to CWA's policy that addresses and, in some cases, limits such payments, items and benefits with the overall aim to avoid compromising advice or recommendations given to clients by special incentives or compensation arrangements.

In selecting third-party asset managers for the Independent Advisor Program described in this Brochure, CWA does not consider the extent to which the asset manager directs or is expected to direct principal trades to CWA for execution. Such direction is left to the discretion of the third-party asset manager retained by the client, which, absent client direction to the contrary, is obligated at all times to seek best execution. Nonetheless, third-party asset manager retained by clients may perceive a potential conflict of interest between their obligations to seek best execution and their interest in receiving client referrals pursuant to the Programs described in this Brochure.

CWA and individuals associated with the Adviser are prohibited from engaging in agency cross transactions.

## *Allocations of Trades and Order Bunching*

CWA will create a “block trade”<sup>4</sup> where possible and aggregate trades<sup>5</sup> when advantageous to clients. This “blocking” of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a prorated basis between all accounts included in any such “block”.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. CWA will typically aggregate trades among clients whose accounts can be traded at a given broker on any particular day. CWA’s block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by, or inconsistent with, the client's advisory agreement or our order allocation policy.
- The portfolio manager must reasonably believe that the order aggregation will benefit and enable CWA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- Prior to entry of an aggregated order, the allocation is loaded into our order entry system which identifies each client account participating in the order and the proposed allocation to those clients upon completion.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day generally may be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro-rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Adjustments to this pro-rata allocation may be made to avoid having an odd amount of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- Generally to fill the order, each client that participates in the aggregated order must do so at the average price for all separate transactions made, and must share in the commissions on a pro-rata basis in proportion to the client's participation. Under the client’s agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

---

<sup>4</sup> A block trade is a permissible, noncompetitive, privately negotiated transaction either at or exceeding an exchange determined minimum threshold quantity of shares, which is executed apart and away from the open outcry or electronic markets.

<sup>5</sup> An aggregate trade may be used when CWA purchases securities for more than one client account and the opportunity exists for better execution and pricing due to the higher volume level.

- If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the CCO no later than the morning following the execution of the aggregate trade.
- CWA's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- Generally, funds and securities for aggregated orders are clearly identified on CWA's records, and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

### ***Solicitation Activities***

CWA may enter into agreements with third-parties who solicit clients for CWA's investment management products. Under such agreements, third-parties may refer or solicit clients and receive compensation for such services. As a result of these arrangements, fees paid by clients may differ from the prevailing retail rate, but in every arrangement with a third party solicitor, the structure of the third-party solicitation agreement, including the compensation payable to the solicitor, will be disclosed fully to the client as required by applicable law.

### ***CWA's Asset Management Strategies***

CWA uses the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Client Risk Profile Assessment**

CWA will determine the right amount of risk a client's asset allocation can accept to meet their objectives. These discussions generally result in an agreement on the levels and types of risk that are appropriate for a given client's situation. Each client's portfolio is custom designed and assessing risk tolerance is paramount to the investment process.

#### **Conduct Cash Flow Analysis**

CWA will determine the appropriate cash flow analysis required for the client to maintain their lifestyle. CWA models cash sources and uses to try to ensure that assets are positioned to meet any forecasted need.

#### **Define and Refine Asset Allocation over Time**

CWA will determine client's risk profile, investment horizon, liquidity and cash flow requirements, which may be ultimately integrated into a plan and implemented through an asset allocation. The asset allocation is a dynamic process that is periodically reviewed to ensure that it is meeting any changing needs experienced by the client.

### ***CWA's Investment Strategies***

CWA uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

#### Equities

CWA evaluates hundreds of investment managers annually to focus only on the select few that meet our criteria of attractive risk-adjusted rates of return, timeliness, and a focus on wealth preservation. CWA's research team may utilize sophisticated software analysis to help find and evaluate investment managers that meet multiple screening criteria. With CWA's Advisory Programs, CWA identifies, evaluates and purchases equities on behalf of its clients.

#### Fixed Income

Bonds are often an integral part of investment plans, particularly where wealth preservation is a primary goal. CWA is not captive to any one trading desk. As such, CWA is generally able to search for bonds from multiple dealers to make the best selections for our clients. As with Equities, CWA also evaluates investment managers who are able to meet our client's criteria for fixed income investing.

#### Alternatives

The risk/return and often non-correlated characteristics of alternative investments can make them attractive additions to traditionally positioned portfolios.

CWA may seek attractive investment opportunities among hedge funds, real estate, and private equity offerings depending on market conditions.

### ***Broker-Dealer Activities***

As a registered broker-dealer, CWA may periodically advise clients with regard to transactions in a wide variety of securities and other investments, including those specified above.

### **BIOGRAPHICAL INFORMATION**

The following biographical summaries describe personnel at CWA, who are either principal executive officers and/or who have supervisory responsibility with regard to the investment Programs described in this Brochure.

#### **Paul Tramontano, Co-Chief Executive Officer ("Co-CEO")**

Mr. Tramontano, born in 1961, is a founding member of CWA and the Co-CEO. Mr. Tramontano has oversight and management responsibilities with respect to the CWA's investment advisory and broker-dealer business activities. Mr. Tramontano has been associated with CWA since April 2007. In addition to his responsibilities of running CWA, Mr. Tramontano has client responsibilities and is a member of the Investment Committee. Mr. Tramontano is registered in the following capacities:

- FINRA Series 7, General Securities Registered Representative
- FINRA Series 4, Registered Options Principal
- FINRA Series 24, General Securities Principal
- FINRA Series 8, General Securities Sales Supervisor



- NFA Series 3, National Commodity Futures Examination
- MSRB Series 53, Municipal Securities Principal
- NASAA<sup>6</sup> Series 63, Uniform Securities Agent State Law

**Jon Goldstein, Co-Chief Executive Officer (“Co-CEO”)**

Mr. Goldstein, born in 1960, is CWA's Co-CEO. Mr. Goldstein is responsible for managing CWA's West Coast operations as well as overseeing the research team. Mr. Goldstein has oversight and management responsibilities with respect to CWA's investment advisory and broker-dealer business activities. Mr. Goldstein has been associated with CWA since March 2008. In addition to his client responsibilities, he is a member of the Investment Committee.

Mr. Goldstein is registered in the following capacities:

- FINRA Series 7, General Securities Registered Representative
- FINRA Series 24, General Securities Principal
- NFA Series 3, National Commodity Futures Examination
- NASAA Series 63, Uniform Securities Agent State Law
- NASAA Series 65, Uniform Investment Adviser Law

**Sam Katzman, Chief Investment Officer (“CIO”)**

Mr. Katzman, born in 1962, is a founding member of CWA and the CIO. Mr. Katzman has oversight and management responsibilities with respect to CWA's investment advisory business activities and is also involved with its broker-dealer activities. Mr. Katzman has been associated with CWA since April 2007.

Mr. Katzman is registered in the following capacities:

- FINRA Series 7, General Securities Registered Representative
- FINRA Series 24, General Securities Principal
- NASAA Series 63, Uniform Securities Agent State Law

**Robert M. Gorczakowski, Chief Financial Officer (“CFO”) & Chief Compliance Officer (“CCO”)**

Mr. Gorczakowski, born in 1959, is CWA's CFO and CCO. Mr. Gorczakowski has supervisory and management responsibilities with respect to CWA's investment advisory and broker-dealer

---

<sup>6</sup> North American Securities Administrators Association, Inc. (“NASAA”) is the organization of state securities administrators, and it licenses individuals and firms on the state level.

business activities as well as oversight of the Compliance Program. Mr. Gorczakowski has been associated with CWA since December 2008.

Mr. Gorczakowski is registered in the following capacities:

- FINRA Series 7, General Securities Registered Representative
- FINRA Series 24, General Securities Principal
- FINRA Series 27, Financial and Operations Principal