

# ALPINE WEALTH MANAGEMENT, LLC

530 Lytton Avenue, Suite 200

Palo Alto, CA 94301

(650) 351-7988

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

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This brochure provides information about the qualifications and business practices of Alpine Wealth Management, LLC ("Alpine"). If you have any questions about the contents of this brochure, please contact us at (650)-351-7988 or [info@alpinewm.com](mailto:info@alpinewm.com). The information in this brochure has not been approved or verified by any United States government agency or any state securities authority.

Registration of an investment adviser does not imply any level of skill or training.

**Item 2 – Material Changes**

This brochure, dated April 24, 2015, replaces the Oct 10, 2011 update to our brochure. The material changes are updates to Alpine's employee trading policies reflected in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

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#### **Item 4 – Advisory Business**

Alpine Wealth Management, LLC (“Alpine”) is a private investment management firm that offers domestic and international value equity strategies for both institutional and retail investors. In the US, we offer both long-only and long/short strategies. Our international strategies are long-only. Alpine is owned by Peng Ken Yap, Managing Member and Chief Compliance Officer. Alpine was formed in 2009.

Alpine provides investment management services by providing investment advisory services on both a discretionary and non-discretionary basis to individuals, corporations, trusts, charitable foundations, endowments and other organizations through separately managed accounts. Our portfolio strategies may include investments in US and foreign securities, options contracts on securities, mutual funds and private placements. Alpine’s investment advice is currently limited to these types of investments.

Alpine also provides sub-advisory or dual contract services to certain investment advisers. The terms and conditions of these arrangements vary and Alpine will typically communicate through the relevant investment adviser intermediary.

Alpine provides non-discretionary investment advisory services to certain third parties in the form of “model portfolios” or indexes. A model portfolio or index represents Alpine’s recommendations as to the composition of a portfolio of securities. Alpine only provides the recommendations and does not manage the portfolios directly. Alpine does not have regular contact with any clients of such third parties.

Clients may also choose to open a self-managed account, in which case Alpine provides investment recommendations to the client, on a non-discretionary basis, using parameters identified by the client’s and Alpine’s advice. The client is responsible for determining whether to implement any of Alpine’s recommendations, and Alpine has no responsibility for implementing investments in self-managed accounts.

Investments for the private funds are managed in accordance with the investment objectives set forth in the confidential offering memorandum for each private fund and are not tailored to the individual needs of any particular investor. Investments for separately managed client accounts (including wrap fee, dual contract and sub-advisory accounts) are managed in accordance with the chosen strategy. Clients have a limited ability to tailor such strategies or limit certain securities. Investments for mutual funds are managed in accordance with each fund’s investment objective, strategies and restrictions as set forth in the prospectus and are not tailored to the individualized needs of any particular investor in the fund.

Alpine also serves as a portfolio manager in a third party sponsored wrap program. Alpine receives a portion of the wrap fee as a manager in this program.

Wrap fee clients should consider that, depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided if they were to be obtained separately and, with respect to brokerage, transaction-based commissions. Alpine may accept or reject a wrap fee client for any reason, including, but not limited to, the wrap fee client’s investment goals and restrictions. We attempt to manage these accounts in the same

manner as our non-wrap accounts who invest in a strategy similar to that of the wrap program strategy.

### **Assets under Management**

#### **As of December 31, 2014:**

Discretionary basis:	\$ 1,350,000
Non-Discretionary basis:	\$ 31,000,000
Total:	\$ 32,350,000

### **Item 5 – Fees and Compensation**

#### **Fee Schedules**

Alpine's compensation depends on the manner through which Alpine provides its advisory services. As an adviser to private funds, separately managed accounts, wrap fee programs, mutual funds, and other advisory arrangements, Alpine is compensated on various combinations of a percentage of assets under management, fixed fees, and performance-based fees. Under certain circumstances, fees are negotiable.

<b>Household Assets</b>	<b>Annual Advisory Fee</b>
Up to \$500,000	1.5%
\$500,001 to \$2,000,000	1.25%
\$2,000,001 to \$5,000,000	1.1%
\$5,000,001 to \$10,000,000	1%
Over \$10,000,000	By Negotiation

#### ***Separately Managed Accounts (including Sub-Advisory and Dual Contract Accounts)***

Generally, advisory fees for separately managed accounts are based upon a percentage of assets under management and may vary depending upon the nature of the portfolio to be managed (e.g., international equity, long-short equity). Separately managed account advisory fees generally range from 1.00% to 1.50% of client assets under management, typically payable quarterly in advance, unless otherwise agreed upon in the investment management agreement with a client. Fees are based upon the valuation methodology agreed to with each client. Accounts initiated during a calendar quarter will be charged a prorated management fee. Accordingly, if termination of a management agreement by the client occurs during a month or quarter in which a management fee is charged, such circumstances will result in the refund of a pro rata portion of the fee to the investor or client for the remaining portion of the quarterly period, as the case may be. Advisory fees are negotiable for some clients or investors in certain circumstances and may be higher or lower than the stated range. Alpine may enter into individual agreements with particular clients or investors with respect to the timing of accrual any management fee. Alpine may deduct the management or performance fee from a client

account by instructing the client's custodian or, in the alternative, Alpine may bill the client. In some cases, the client may select the method by which it pays management or performance fees.

Unless a wrap fee is charged, separately managed account fees do not cover brokerage commissions, transaction fees, service provider fees, and other related costs and expenses that will be incurred by the client. Execution of client transactions typically requires payment of brokerage commissions by clients. "Item 12 – Brokerage Practices" further describes the factors that Alpine considers in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation. Investment activity may also involve other transaction fees payable by clients, such as sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, clients may incur certain charges imposed by custodians, broker-dealers, third-party investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, and transfer agency fees.

Separately managed account fees are described to investors, in detail, in the account's investment management agreement.

### ***Sub-Advisory and Dual Contract Accounts***

Fee schedules for clients participating in sub-advisory or dual contract programs are based on the basic annual fee schedule for separate account clients, detailed above but may be separately negotiated with the relevant client or intermediary. Therefore the fees may be more or less than a similar strategy in a separately managed account.

### ***Wrap Fee Program Accounts***

Alpine sponsors a wrap fee program whereby a client pays a single fee that covers investment advisory services and brokerage expenses for trades. Fee schedules for both discretionary and non-discretionary self-managed and professionally managed accounts typically range from 1.00% to 1.50% of client assets under management, calculated and typically deducted quarterly in advance from the client's account. Accounts initiated during a calendar quarter will be charged a prorated fee. Accordingly, if termination of a management agreement by the client occurs during a month or quarter in which a fee is charged, such circumstances will result in the refund of a pro rata portion of the fee to the client for the remaining portion of the quarterly period, as the case may be. If the calculated quarterly fees fall below a certain minimum, Alpine charges a minimum quarterly account fee, as outlined in the investment advisory agreement.

Alpine currently serves as a portfolio manager to wrap fee programs and is compensated from the wrap fee paid by program clients, in accordance with the agreement with the wrap sponsor.

Each wrap fee program sponsor generally charges clients quarterly in advance some form of comprehensive fee based upon a percentage of the value of the client's assets under management in the program. This comprehensive fee may include execution, consulting, custodial and other services performed or arranged by the program sponsor and an amount sufficient to cover the investment advisory services of discretionary managers (such as Alpine). In some wrap fee programs, the discretionary manager's fee is billed or deducted directly by the wrap fee client pursuant to a separate contract executed between the manager and the

wrap fee client. In other wrap fee programs, the manager's fee is deducted directly by the program sponsor. Alpine may participate in both types of wrap fee programs and may be paid its investment management fee out of the wrap fee collected by the sponsor or directly by the wrap fee client.

Alpine's fees for advice to clients in a wrap fee program may be less than for direct management of such an account outside the of wrap fee program. Wrap fee clients should be aware that, as discussed above, their total fees and expenses may exceed those which may be available if the services were acquired separately. Wrap program fees are described to investors, in detail, in the sponsor's Wrap Fee Program Brochure.

### ***Other Advisory Fee Arrangements***

Alpine provides investment advisory services in the form of model portfolios or indices. Such arrangements are not uniform and fees are separately negotiated.

### ***Mutual Funds***

Alpine provides advisory services to typical registered investment companies – commonly known as mutual funds. The mutual funds offered are depending upon the custodian or broker-dealer's platform.

### ***Other Non-Advisory Fees***

Uninvested cash balances (including those of the mutual funds) are sometimes swept into money market funds which may be sponsored by the client's custodian or broker-dealer. Exchange traded funds may be used as an investment vehicle in the mutual funds to gain market exposure while securities are being purchased. When these types of funds are used, the client, in effect, pays two advisory fees with respect to the amount of assets so invested (i.e., the money market or exchange traded fund's fees and expenses and that portion of the Alpine management fee attributable to such assets).

Alpine's advisory fees for client accounts (except wrap program accounts) do not cover brokerage commissions, transaction fees, and other related costs and expenses, which are charged separately. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Alpine normally does not offer performance-based fees and side-by-side management. However, in certain circumstances, Alpine may enter into performance fee or allocation arrangements. Alpine structures any performance fees or allocation arrangements subject to federal rules and in accordance with the available exemptions granted under those rules.

Alpine simultaneously manages multiple types of portfolios including private funds, separately managed accounts and mutual funds, according to the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products, some of which may be charged a performance fee creates certain conflicts of interest,

as the fees for the management of certain types of products are higher than others. Performance-based fee or allocation arrangements may also create an incentive for Alpine to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Nevertheless, when managing the assets of such accounts, Alpine has a duty to treat all such accounts in a fair and equitable manner over time.

Side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios arising from differences in fee arrangements. As a fiduciary, Alpine exercises due care to ensure that investment opportunities are allocated fairly and equitably over time among all clients, regardless of their corresponding fee structure. Towards this end, Alpine has implemented specific controls built on the general principle of treating all clients in a fair and equitable manner over time. The trade opportunities for which a client will participate are determined by Alpine's investment models as well as the client's investment objectives with its specified account restrictions. Client transactions are either traded in aggregate with other accounts or individually.

When Alpine determines that a set of transactions should be traded in the aggregate, then prices will generally be averaged and transactions allocated among Alpine's clients pro rata, based on original allocation to the purchase and sale orders placed for each client on any given day. In the event Alpine determines that a pro rata allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors (please refer to Item 12 – Brokerage Practices, for a detailed description of Alpine's trade aggregation and allocation procedures). Alpine has procedures such as trade rotation and account review that are designed to ensure that all clients are treated fairly and equally over time, and to prevent conflicts from influencing the allocation of investment opportunities among clients. By utilizing these procedures, Alpine believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment over time.

## **Item 7 – Types of Clients**

Alpine's clients and investors consist of individuals (including high net worth individuals), registered investment companies, pension and profit sharing plans, pooled investment vehicles, charitable organizations, corporations, and other business entities.

Alpine's investment minimums vary according to product and strategy. The minimum investment required to invest in a private fund is described in each private fund's offering memorandum. Generally, Alpine's separately managed account minimums range from \$100,000 to \$25 million. The minimum investment required to invest in the Alpine sponsored wrap program is described in Appendix 1 Wrap Fee Program Brochure. The minimum investment required to invest the mutual funds is described in each mutual fund's prospectus.



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

Alpine's strategies for the private funds, separately managed accounts (including sub-advisory and dual contract accounts), wrap programs in which Alpine is a manager, and mutual funds employ our proprietary fundamental value discipline for systematically ranking, selecting and weighting companies in our portfolios that appear to be undervalued on both an absolute and relative basis. Alpine's investment strategy is differentiated by three key elements to our process. They are:

- a) Proprietary strategy based on Alpine's decades of investment experience and research using both qualitative and quantitative methodologies,
- b) Alpine's financial database, constructed from original source documents by an in-house team of investment analysts trained in Alpine's valuation techniques,
- c) Alpine's optimization engine based on portfolio constraints, investment tradeoffs and factors designed by Alpine's principals.

With our financial database covering a universe of 3,000 US stocks and 1,200 stocks in 26 countries outside the US, Alpine manages several long/short and long-only investment strategies. Each strategy uses its proprietary database, valuation measures, and technology to target different geographies, market exposures, market capitalizations and levels of diversification.

Investment in these types of securities involves risk and the potential loss of capital. These strategies may not be suitable for all investors. Alpine offers three broad types of investment strategies: long/short US equity, long-only US equity, and long-only international equity.

Long/Short Equity - We manage several long/short equity strategies that employ a systematic value approach to construct diversified portfolios of US stocks with varying degrees of gross and net exposure. The portfolios are rebalanced to weight toward those stocks that are priced at the largest discount to various measures of value for our long positions and those that are priced at the largest premium to various measures of value for our short positions, as ranked by Alpine's proprietary metrics for our coverage universe.

Long-Only US Equity - We manage both concentrated and diversified US equity portfolios. These strategies are long only, do not employ leverage, and target various parts of the capitalization spectrum in the US. The portfolios are rebalanced to weight toward those stocks that are priced at the largest discount to various measures of value, as ranked by Alpine's proprietary metrics for our coverage universe. Certain tax-managed portfolios are managed for long term tax efficiency, with the portfolio rebalancing taking into consideration security holding periods. These tax-managed portfolios may have short-term tax inefficiencies, particularly within the first 11 months after investment.

Long-Only International Equity- We manage both concentrated and diversified non-US equity portfolios. These strategies are long only, do not employ leverage, and target non-US based companies typically in the mid to large market capitalization spectrum. The portfolios are rebalanced to weight toward those stocks that are priced at the largest discount to various measures of value, as ranked by Alpine's proprietary metrics for our coverage universe. Certain

tax-managed portfolios are managed for long term tax efficiency, with the portfolio rebalancing taking into consideration security holding periods. These tax managed portfolios may have short-term tax inefficiencies particularly within the first 11 months after investment.

For our wrap program, Alpine uses a proprietary quantitative model to identify and rank stocks based on the underlying company's earnings yield and return on capital utilizing a database of over 5,000 stocks including financial and other information. The portfolio strategy employs our fundamental value discipline in a systematic investing approach to rank and select companies from a universe of stocks within the mid to large market capitalization spectrum. The portfolios are managed for long term tax efficiency, with the portfolio rebalancing taking into consideration security holding periods. The portfolios may have short-term tax inefficiencies, particularly within the first 11 months after investment.

Before purchasing an interest in any of the private funds managed by Alpine, investors should carefully consider various risk factors and conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of fund interests and various legal, tax and other considerations, all of which are discussed the private fund's Confidential Private Placement Memorandum. An investment in a private fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. Investors in a private partnership who are subject to income tax should be aware that the investment in the partnership may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities.

Mutual fund investing involves risk, including possible loss of principal. An investor should consider the investment objectives, risks, and charges and expenses of the mutual fund carefully before investing. The prospectus contains this and other information about the mutual fund.

There can be no assurance that the objectives associated with any of our investment strategies will be met. Alpine, at any time, may add, remove or modify any of the strategies it employs and this includes any of the significant investment strategies discussed above. These investments, methods and strategies involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

### **Risks associated with Alpine's value strategies**

The material risks associated with Alpine's proprietary, systematic method of analysis for all strategies may include, without limitation:

Programming and Modeling Error Risk- Alpine's research and modeling process is extremely complex and the results of that process must then be translated into computer code. Although Alpine seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished model may contain an error; one or more of such errors could adversely affect a client's portfolio and likely would not constitute a trade error under Alpine's policies.

The models used by Alpine in its strategies rely on complex formulas, proprietary and third party data sources, and are based largely upon using our Managing Member's years of experience in individual stock selection to identify what the Managing Member believe to be

the important characteristics of valuation as well as other identified factors. As a result, any errors in the underlying formulas, data entry, database or the assumptions underlying the models may result in a portfolio acquiring or selling investments based on incorrect information. Additionally, data entry made by Alpine's internal team of financial analysts may contain errors, as may the database system used to store such data. When models and data prove to be incorrect, misleading, flawed or incomplete, any decisions made in reliance thereon expose Alpine to potential risks. For example, by relying on models and data, Alpine may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty models and data may prove to be unsuccessful. As a result, the portfolio could incur losses on such investments before the errors are identified and corrected.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting valuations will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

Operational Risk - Alpine has developed systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in Alpine's operations may cause Alpine to suffer financial loss; the disruption of its business; liability to clients or third parties; regulatory intervention; or reputational damage. Alpine relies heavily on its financial, accounting and other data processing systems. The ability of its systems to accommodate an increasing volume of transactions could also constrain Alpine's ability to properly manage a client's portfolio.

Accuracy of Public Information Risk - Alpine selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Alpine evaluates this information and data and ordinarily seeks independent corroboration as appropriate and reasonably available, Alpine is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Systems Risk - Alpine relies extensively on computer programs and systems to select securities for purchase or sale, trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio, and to generate risk management and other reports that are critical to oversight of its activities. In addition, certain systems operated by third parties, including Alpine's prime brokers and market counterparties and their sub-custodians and other service providers, may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on Alpine's activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect Alpine's ability to monitor its investment portfolios and its risks.

Account Type Risk - The terms and conditions applicable to the private funds, separately managed accounts, and mutual funds advised by Alpine may vary. Investors in one investment

vehicle may pay different fees and other charges, and may not have the same liquidity or redemption options as investors in other investment vehicles. Due to the inherent structure of a separately managed account, the beneficial owners generally receive more information, including transparent portfolio holdings, and have more favorable liquidity and termination rights as compared to investors in the private funds and mutual funds. If the holder of a separately managed account pursuing substantially the same strategy as the private funds, mutual funds or other separately managed accounts decided to assume control and to liquidate the positions in the account in a short time period, this could result in decreases in the valuations of the equivalent positions remaining in the private funds, mutual funds or other separately managed accounts, thereby causing losses.

Counterparty Risk - Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Should a counterparty fail to fulfill its obligations to Alpine, clients could potentially incur a loss as a result of counterparty credit exposure.

Obsolescence Risk - Alpine's strategies are unlikely to be successful unless the assumptions underlying the models used to implement those strategies are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If and to the extent that the models do not reflect certain factors, and Alpine does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. Alpine will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. There can be no assurance as to the effects (positive or negative) of any modification on a client's portfolio.

Value Investing Risk- Value-oriented investment approaches are subject to the risk that securities believed to be undervalued do not appreciate in value as anticipated.

#### *Long equity strategies*

In addition to the risks described above in this section, the material risks associated with Alpine's long equity strategies may include:

Illiquid Investments Risk - While Alpine anticipates that it will invest in securities with relatively high liquidity, due to changes occurring after the initial investment, it may be impossible for Alpine to liquidate some or all of its investments when desired or to realize their fair value in the event of such liquidation. In addition, Alpine may not be able to quickly liquidate all of its positions due to trading volume and liquidity that can disappear in certain securities or more generally in the market.

Equity Securities Risk - Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

Foreign Securities Risk- Securities of foreign issuers, including depository receipts, are subject to special risks associated with foreign investments not typically associated with investing in US markets including:

- Depository Receipts Risk - The issuers of unsponsored depository receipts may not be obligated to disclose information that is, in the US, considered material. Therefore, there may be less information available regarding these issuers and there may not be a correlation between such information and the market value of the depository receipts. Depository receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted.
- Political and Economic Risk- Investing in foreign securities is subject to the risk of political, social or economic instability in the country of the issuer of a security, variation in international trade patterns, the possibility of the imposition of exchange controls, expropriation, confiscatory taxation, limits on movement of currency or other assets and nationalization of assets.
- Currency Risk- Alpine may invest a portion of its assets in equity securities and other investments denominated in currencies other than the US dollar and in other financial instruments, the prices of which are determined with reference to currencies other than the US dollar. Alpine, however, will value securities and other assets in US dollars. To the extent unhedged, the value of a portfolio's assets will fluctuate with US dollar exchange rates as well as with price changes of the portfolio's investments in the various local markets and currencies. Thus, an increase in the value of the US dollar in comparison to the other currencies in which the portfolio may make its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the portfolios securities and other investments in their local markets. Conversely, a decrease in the value of the US dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-US dollar securities or other investments. The portfolios may use futures, forward currency contracts and options to hedge against currency fluctuations in its non-US dollar denominated portfolio, but there can be no assurance that any such hedging transactions will be effective.
- Information Risk- Non-US companies in certain countries may not be subject to uniform accounting, auditing and financial reporting standards or to other regulatory requirements that are similar to those applicable to US companies.
- Foreign Tax Risk- Income from foreign issuers may be subject to non-US withholding taxes. Portfolios also may be subject to taxes on trading profits and, on certain securities transactions, transfer or stamp duties tax.
- Investment Restriction Risk - Some countries restrict foreign investment in their securities markets. These restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.
- Foreign Securities Market Risk - Securities of many non-US companies may be less liquid and their prices more volatile than securities of comparable US companies and therefore may involve greater risks.

Portfolio Turnover Risk - There may be risks related to portfolio turnover. High rates of portfolio turnover could lower performance of the portfolio through increased brokerage and other transaction costs and taxes.

Concentration/Non-diversification Risk - Certain portfolios may be concentrated in only a few industries, countries or geographic regions, or may be concentrated in other ways. This investment strategy could expose investors to greater risk than if the portfolios were to diversify its investments.

Sector Focus Risk - A portfolio may be more heavily invested in certain sectors, which may cause the value of the portfolio's shares to be especially sensitive to factors and economic risks that specifically affect those sectors. This may cause the value of the portfolio to fluctuate more widely than a comparative benchmark.

Securities Lending Risk - Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a portfolio may lose money and there may be a delay in recovering the loaned securities. The portfolio could also lose money if it does not recover the securities and/or the value of the collateral fails, including the value of investments made with cash collateral. Securities lending also may have certain potential adverse tax consequences.

Market Risk - The market value of a security may fluctuate, sometimes rapidly and unpredictably. The prices of securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

Small Company Risk - Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Prime Broker Risk - Private fund positions may be held in accounts maintained for Alpine or its affiliates by its prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the private fund securities positions are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency on the private funds and its securities positions. The insolvency of any private fund's prime broker could result in the loss of all or a substantial portion of the private fund's securities positions held by such prime broker, or could result in substantial disruption of the private fund's operations, including withdrawals by investors.

Swaps and Derivatives Risk - Alpine may make use of swaps and other forms of derivative contracts. In general, a derivative contract (including options) typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the

amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Depending on the strategy, many of the derivative contracts used by Alpine may be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty or the counterparty's guarantor. These transactions may also involve significant transaction costs and may expose a portfolio to counterparty risk.

#### *Additional Risks of Long/Short equity strategies*

In addition to the risks described above in this section, the material risks associated with Alpine's long/short equity strategies may include:

Short Selling Risk - A short sale involves the sale of a security that a portfolio does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, the portfolio must borrow the security, and the portfolio is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the portfolio. In some cases, the lender may rescind the loan of securities and cause the borrower to repurchase shares at inflated prices, resulting in a loss. When a portfolio makes a short sale in the United States, it must leave the proceeds with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. The extent to which a portfolio will engage in short sales depends upon Alpine's investment strategy and perception of market direction. In addition, global regulatory prohibitions on short sales may impair Alpine's ability to implement its investment process. Bans may add additional constraints to a strategy, which may increase transaction costs as well as the time required to monitor compliance with the restrictions.

Leverage Risk - Certain of Alpine's strategies utilize varying amounts of leverage, which involves the borrowing of funds and may also be embedded in financial instruments, including short sales, over-the-counter derivatives, options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure.

The use of leverage allows Alpine to increase its exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility – or the likelihood of short-term changes in value – of any portfolio. The effect of the use of leverage in a portfolio may result in losses to the portfolio that exceed losses to the portfolio if such portfolio did not utilize leverage.

Borrowing Risk - Some portfolios may include strategies that allow secured and unsecured borrowing from brokerage firms, banks, and other institutions in order to be able to increase the amount of capital available for securities investments. Like other forms of leverage, the use of borrowing can enhance the risk of capital loss in the event of adverse changes in the level of market prices of the assets being financed with the borrowings.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of Alpine or the integrity of Alpine's management. Alpine has no disclosure applicable to this Item.

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

Alpine's management persons are not affiliated nor do any management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

### **Code of Ethics**

Alpine has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 of the Investment Advisers Act and Rule 17j-1 of the Investment Company Act. Alpine's Code sets forth standards of ethical and business conduct expected of access persons and addresses conflicts that may arise from personal trading by Alpine personnel to ensure that Alpine's fiduciary obligations to its clients are met as well as compliance with federal securities laws. The Code includes a personal trading policy and policies and procedures to detect and prevent insider trading. Additionally, the Code defines material, nonpublic information and the restrictions on trading on any such knowledge. The Code also includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities. Additionally, the Code sets forth specific restrictions and limitations as to which employees may make political contributions, as well as preclearance requirements for certain political contributions.

All Alpine personnel must acknowledge understanding and agree to comply with the Code initially upon employment and must certify on an annual basis that they have read and understand the code and have complied with it.

Clients or prospective clients may obtain a copy of our Code upon request.

### **Conflicts of Interest**

Clients or investors should carefully consider the conflicts of interest described here and, as applicable, in the offering documents for the private funds, and in the prospectus for the mutual funds, as applicable.

Personal Trading – In providing investment management services, Alpine and its personnel make investment decisions for private funds, separately managed accounts, and mutual funds. Alpine's personnel may trade and invest for their own accounts in the same securities as those in which it invests on behalf of clients. To address the conflicts of interest posed by this type of trading, Alpine maintains the Code, as described above. Specifically, the Code requires that



Alpine personnel obtain written pre-clearance for transactions that exceed a de minimis level. The Code also establishes minimum holding periods for such securities. Additionally, the Code requires access persons to submit transactions reports and initial and annual holding reports showing all transactions in which the person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership in covered securities, with limited exceptions for securities such as shares of mutual funds not advised by Alpine. This enables Alpine to determine with reasonable assurance any indications of front-running or other appearance of a conflict of interest.

Allocation of Investment Opportunities and Other Accounts – Alpine is not obligated to accord exclusivity or priority to clients in the case of limited investment opportunities arising from the application of capacity limits or other factors. There is no limit on the number of portfolios, private funds, mutual funds and/or clients that may be managed or advised by Alpine. Alpine may have financial incentives to favor certain private funds, separately managed accounts, and mutual funds over others. Even if Alpine does not have such financial incentives, Alpine is required to allocate its limited resources among the various portfolios that it advises. Alpine seeks to allocate and will in the future continue to allocate investment opportunities and treat all similarly situated clients fairly and equitably over time to the extent such opportunities are determined to be appropriate for the relevant clients. Although allocations may be pro rata among participating clients, they will not necessarily be so, where Alpine's allocation policies dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. The performance of the private funds, separately managed accounts, and mutual funds may differ even though their investment objectives may be substantially the same or similar.

Different Terms & Conditions– In order to expand its investment advisory business, Alpine may permit investors to invest in private funds, separately managed accounts, and mutual funds on different terms and conditions that may result in a potential conflict of interest for Alpine. Such different terms and conditions may include different fee structures as well as different redemption terms and conditions, permitting certain investors to redeem interests or liquidate their accounts more rapidly than other investors.

Alpine may also have a conflict of interest because managing a client's assets through a pooled arrangement offers certain efficiencies and economies of scale to Alpine that may result in the private fund fees being more profitable for Alpine than fees received from separately managed accounts. Although economies of scale resulting from investing in the private funds may result in smaller administrative, custodial, and/or transactional expenses than would be the case if the client's assets were to be managed in a separate account, the private funds incur other audit and administrative expenses that are apportioned among their investors, which a separately managed account typically would not have.

Additionally, the owners of separately managed accounts generally receive more information, including portfolio information, as compared to investors in the private funds and mutual funds. The holder of a separately managed account has an inherent ability to see all positions in the account. Accordingly, Alpine's advising a separately managed account pursuing the same or similar strategy as the private funds or mutual funds is equivalent to having an investor in the private funds or mutual funds with full transparency and perhaps more frequent liquidity. If the holder of a managed account pursuing substantially the same strategy as the private funds, mutual funds or other separately managed accounts decided to assume control and to liquidate

the positions in the account in a short time period, this could result in decreases in the valuations of the equivalent positions remaining in the private funds, mutual funds or other separately managed accounts, thereby causing losses.

In discussing various investment alternatives and opportunities with clients or potential clients, Alpine may provide certain information that is more extensive than what is generally provided to all clients or potential clients. Alpine provides such information if Alpine determines that doing so will not give the recipient an unfair informational advantage over other such entities.

Side Letters – At the specific request of investors in the private funds, Alpine may enter into a written agreement (a “side letter”) concerning matters of interest to that investor. Requests for side letters are considered by Alpine on a case-by-case basis taking into consideration, among other things, the relationship between the investor and Alpine, the confidentiality of Alpine’s proprietary information, the operational and administrative burden in complying with the side letter and Alpine’s fiduciary duties to all of its investors and the private funds. Such side letters may provide the investor with additional information or other benefits that may not be shared by all investors in the private fund.

Principal and Cross Trades – Alpine does not generally enter into principal or cross trades and does not anticipate doing so. If a situation develops that might involve a principal or cross trade and Alpine believed such trade would be in the best interests of the affected clients, Alpine would affect such trades in compliance with applicable law.

## **Item 12 – Brokerage Practices**

Alpine’s objective in selecting brokers and dealers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to its accounts’ portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, Alpine recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. In determining whether a particular broker-dealer is likely to provide best execution, Alpine takes into account all factors that it deems relevant to the broker-dealer’s execution capability, including, by way of illustration:

- price;
- the size of the transaction;
- the nature of the market for the security;
- the amount of the commission or size of the spread;
- the ability to fulfill the order in a timely manner;
- the broker-dealer’s clearance and settlement capabilities;
- the broker-dealer’s research capabilities;
- the broker-dealer’s trade error rate and ability or willingness to correct errors;
- the timing of the transaction, taking into account market prices and trends;

- the reputation, experience and financial stability of the broker dealer; and
- the quality of service rendered by the broker-dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker is appropriate if the difference in cost is reasonably justified by the quality of the service offered.

Alpine believes that paying fair and reasonable commissions to broker-dealers in return for quality execution services benefits clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case with transactions requiring more routine services.

For significant portions of Alpine's client trading, Alpine utilizes execution management systems that provide advanced capabilities such as algorithmic trading and/or direct market access to electronic communications networks when executing trades. Alpine believes the principles of "Best Execution" are achieved by utilizing the advanced capabilities provided by these execution management systems.

Alpine periodically reviews its execution policies and assesses the quality of brokerage executions. Alpine endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its clients. As noted above, Alpine periodically reviews the quality of executions received from eligible broker-dealers and may consider the services of other broker-dealers who may be available to execute client transactions. Any broker who has provided (or who is expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to Alpine may be selected to execute transactions for client accounts. Alpine maintains an "approved brokers list" consisting of such broker-dealers. However, broker-dealers that are not on such a list may be used if Alpine believes that using that such broker-dealer may result in best execution for the particular trade.

### **Research and Other Soft Dollar Benefits**

Alpine does not currently receive soft dollar benefits from broker-dealers. If Alpine decides to do so, we would in a manner consistent with the safe harbor provided by Section 28(e) and would disclose all material facts including any conflicts of interest.

### **Brokerage for Client Referrals**

Alpine does not maintain any such arrangements.

### **Client-Directed Brokerage Transactions**

While Alpine generally selects broker-dealers for separately managed client accounts, Alpine will accept in limited instances direction from clients as to which broker-dealer is to be used. Additionally, sub-advisory and dual contract clients may choose to designate the relevant intermediary or another broker-dealer which may or may not be affiliated with that intermediary to execute securities transactions on behalf of their account. If the client directs the use of a particular broker-dealer, Alpine asks that the client also specify in writing (i)

general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though Alpine might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients, who, in whole or in part, direct Alpine to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, such decision may adversely affect Alpine's ability to, among other things, obtain volume discounts on aggregated orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities. Additionally, as noted above, transactions for a client that directs brokerage are generally unable to be aggregated for execution purposes with orders for the same securities for other accounts managed by Alpine. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the aggregated order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Alpine could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

### **Wrap Fee Programs – Alpine as a Manager and/or Sponsor**

Alpine sponsors a wrap fee program which requires that brokerage transactions ordinarily be effected through a designated broker-dealer. Clients in the program typically pay a 1% advisory fee, which includes trading commissions.

Use of a designated broker-dealer in the wrap program may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Alpine could negotiate commission rates or spreads freely. Moreover, the overall costs associated with obtaining these services through a wrap fee arrangement may exceed those which might be available if the client were to obtain those services separately. Accordingly, wrap fee clients should satisfy themselves that the wrap fee program is a suitable investment, given the client's particular financial needs and circumstances. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure.

Alpine participates as an investment manager in certain wrap fee programs in which the sponsor would generally: (1) recommend Alpine; (2) pay Alpine's management fees on behalf of the wrap fee client; (3) execute the wrap fee client's portfolio transactions, generally without separate commission charges; (4) monitor Alpine's performance; and, (5) in most cases, act as custodian, or provide some combination of these or other services, all for a single fee paid by the wrap fee client to the sponsor.

Clients participating in such wrap fee programs should recognize that commissions for transactions executed by the designated broker on behalf of the client's account are not negotiated by Alpine and Alpine may not be free to seek best available price and most favorable execution. Even under those wrap fee arrangements in which Alpine retains some discretion to select other brokers or dealers to execute client transactions if Alpine believes that "best execution" may be obtained elsewhere, since the client has already paid an asset based charge that includes commissions on transactions executed through the designated broker (and transactions executed away from the designated broker would generally result in the client paying a commission, concession, dealer mark-up or mark-down or other fees associated with

the execution or settlement of that transaction, in addition to the wrap fee paid to the program sponsor), Alpine expects that best execution would generally be through the designated broker.

### **Trade Aggregation and Allocation**

In making investment decisions, securities considered for investment by one client may also be appropriate for another client. On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one client, Alpine may, but will not be obligated to, aggregate orders for the purchase or sale of the security for all such accounts to the extent consistent with best execution and the terms of the relevant investment management agreements. Such aggregated trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing transaction charges.

When aggregating and allocating securities transactions, participating clients are treated in a fair and equitable manner. No account will be favored over any other account over time. Aggregation must be consistent with Alpine's duty to seek best execution and the terms of Alpine's investment management agreement with each participating client. Alpine may include proprietary accounts (those in which Alpine or its affiliates have significant ownership interests), and funds and accounts that are not managed by Alpine but for which Alpine or its affiliates provides trade execution services, in such aggregate trades, subject to Alpine's duty of seeking best execution and to its Code of Ethics.

Alpine may be unable to aggregate orders for wrap fee clients with orders for those clients who have granted brokerage discretion to Alpine, which may result in wrap fee clients receiving a price that is less favorable than the price obtained for discretionary brokerage clients. When possible within a wrap program managed by Alpine, Alpine makes every effort to aggregate wrap accounts that are trading in the same securities at the same time. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure.

Allocation of executed trades must be fair and equitable over time. Alpine may not allocate trades in such a way that Alpine's proprietary or other non-client accounts receive more favorable treatment than clients' accounts. Similarly, Alpine may not allocate profitable trades at each day's end so as to disproportionately favor certain clients without appropriate disclosure.

When an aggregated order is filled in its entirety, each participating account will participate at the average share price for the aggregated order, and transaction costs will be shared pro rata based on each account's participation in the aggregated order. Pro rata allocation may be used when an aggregated order cannot be fully executed in a single day. The partial fill of the order is generally allocated among the participating Client accounts based on the size of each account's original order, subject to rounding in order to achieve "round lots." Alpine's systems will be updated to reflect partial executions until the aggregated order is completed or to reflect that outstanding orders have been cancelled.

Alpine may allocate on a basis other than pro rata, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to non-client accounts, and results in fair access over time to trading opportunities for all eligible managed accounts. For example, Alpine may identify investment

opportunities that are more appropriate for certain accounts than others, based on such factors as security restrictions, tax status, account size, available cash and cash flows. Consequently, Alpine may decide it is more appropriate to place a given security in one account rather than another account. Other non-pro rata methods include rotation allocation and random allocation. Alternative methods of allocation are appropriate, for example, when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts.

### **Item 13 – Review of Accounts**

Alpine's client portfolios, including the mutual funds and private funds, are reviewed by Alpine's portfolio management team at least quarterly. This team is comprised of our co-Chief Investment Officers, Director of Research, and Traders. This group monitors and reviews portfolio activity, including stock rankings, buy/sell decisions, and over/underweight of positions relative to the model. Investment personnel may employ various computer programs in conducting periodic account reviews which include monitoring for account restrictions, consistency with investment objectives and strategy descriptions.

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Clients receive custodian statements at least quarterly. When requested, periodic written reports are furnished to advisory account clients and a portfolio manager will meet with such clients when requested or at such other times as may be mutually agreed to by Alpine and the client. Such meetings may be conducted in person or telephonically. Alpine personnel may be made available to certain wrap fee clients upon reasonable request for meetings. Similarly, reporting responsibility with respect to dual contract and sub-advisory clients are generally provided by the relevant intermediary, and meetings with Alpine personnel are typically arranged through the intermediary. Alpine provides written reports to the mutual funds' Board on a periodic basis and maintains contact with each mutual fund's administrative staff regarding that mutual fund's portfolio and transactions. Private fund and mutual fund investors receive statements quarterly from their respective administrators.

### **Item 14 – Client Referrals and Other Compensation**

Alpine has a referral arrangement with individuals who are compensated, directly or indirectly, in compliance with applicable law. Third parties will be compensated in accordance with Rule 206(4)-3 under the Investment Adviser's Act of 1940. This presents a potential conflict of interest since solicitors have an incentive to recommend Alpine because they are being compensated by Alpine. Alpine currently maintains one such arrangement where an unaffiliated firm is paid a one-time payment of 15 basis points (0.15%) on mutual fund assets raised per annum, payable quarterly.

### **Item 15 – Custody**

According to the Investment Advisers Act Rule 206(4)-2 Alpine is deemed to have custody of certain client securities because Alpine deducts fees from client assets and its affiliates serve as general partners to private funds. Client assets and securities are held at independent, qualified custodians and an independent public accountant provides audited financial statements to the private fund's investors within 120 days following the private fund's fiscal year end.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. On a monthly basis, certain private fund investors receive preliminary monthly statements from Alpine as well as monthly statements from the third party administrator. Certain private fund investors receive monthly statements in instances where Alpine and/or an affiliate is the fund administrator. Separately managed account and mutual fund clients receive statements directly from the qualified custodian. Alpine urges clients to carefully review official custodial records.

#### **Item 16 – Investment Discretion**

Generally, Alpine is retained with respect to its individual accounts, as well as its mutual fund and private fund clients, on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies restrictions and guidelines.

Investments for mutual funds and private funds are managed in accordance with the fund's investment objective, strategies and restrictions and are not tailored to the individualized needs of any particular investor in the fund. Therefore, fund investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing. Information about the private funds can be found in their governing documents and private placement memoranda, which are available to current and prospective investors only through Alpine or another authorized party. Information about the mutual funds may be found in publicly available fund prospectuses and statements of additional information.

Alpine assumes discretion over the account upon execution of the management agreement with the client.

#### **Item 17 – Voting Client Securities**

Alpine has written proxy voting policies and procedures as required by Rule 206(4)-6 under the Investment Advisers Act. Under these policies and procedures, in cases where Alpine has proxy voting authority with respect to voting securities held in its clients' accounts, Alpine will vote such securities for the exclusive benefit and in the best economic interest of those clients and their beneficiaries as determined by Alpine in good faith, subject to any restrictions or directions from a client. Such voting responsibilities are exercised in accordance with the applicable provisions of the Investment Advisers Act, as well as with Alpine's fiduciary duties under applicable law to act in the best interests of its clients.

On occasion, Alpine may determine not to vote a particular proxy. This may be done, for example where: (1) the cost of voting the proxy outweighs the potential benefit derived from voting; (2) a proxy is received with respect to securities that have been sold before the date of the shareholder meeting and are no longer held in a client account; (3) the terms of an applicable securities lending agreement prevent Alpine from voting with respect to a loaned security; (4) Alpine receives proxy materials without sufficient time to reach an informed voting decision and vote the proxies; (5) the terms of the security or any related agreement or applicable law preclude Alpine from voting; or (6) the terms of an applicable management agreement reserve voting authority to the client or another party.

Alpine acknowledges that, when voting proxies, it is responsible for identifying and addressing material conflicts of interest. In order to ensure that Alpine is aware of the facts necessary to identify conflicts, relevant personnel must inform Alpine's Chief Compliance Officer of any personal conflicts (such as director or officer positions held by them, their spouses or close relatives in a portfolio company). Conflicts based on business relationships with Alpine or any affiliate will be considered only to the extent that Alpine has actual knowledge of such relationships. If a material conflict exists that cannot be otherwise addressed, Alpine may choose one of several options to eliminate the conflict, including: (1) automatic voting in accordance with Alpine's voting instructions; (2) voting as recommended by a third party service that may be employed by Alpine; (3) "echo" or "mirror" voting the proxies in the same proportion as the votes of other proxy holders that are not Alpine clients; (4) if possible, erecting information barriers around the person or persons making the voting decision sufficient to insulate the decision from the conflict; and (5) if agreed upon in writing with the client, forwarding the proxies to affected clients and allowing them to vote their own proxies.

Alpine will not disclose proxy votes to one client regarding votes cast for another client and will not disclose such information to third parties, unless specifically requested, in writing, to do so by the client. However, to the extent that Alpine may serve as a sub-adviser to another adviser, Alpine will be deemed to be authorized to provide proxy 32 voting records regarding such sub-advised accounts to the adviser for such accounts.

Clients may choose to vote their own proxies for securities held in their account. If this is the case, the client must notify Alpine in writing that they wish receive proxy solicitations directly and assume responsibility for voting them.

#### **Item 18 – Financial Information**

Not applicable.



Form ADV 2A Appendix 1

# ALPINE WEALTH MANAGEMENT, LLC

## WRAP FEE PROGRAM BROCHURE

530 Lytton Ave, Suite 200  
Palo Alto, CA 94301  
(650) 351-7988

April 24, 2015

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

This wrap fee program brochure provides information about the qualifications and business practices of Alpine Wealth Management, LLC ("Alpine"). If you have any questions about the contents of this brochure, please contact us at (650) 351-7988 or [info@alpinewm.com](mailto:info@alpinewm.com). The information in this brochure has not been approved or verified by any United States government agency or by any state securities authority.

Registration of an investment adviser does not imply any level of skill or training.

**Item 2 – Material Changes**

This brochure, dated April 24, 2015, replaces the October 10, 2011 annual update to our brochure. There were no material changes.

### **Item 3 - Table of Contents**

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#### **Item 4 - Services, Fees and Compensation**

Alpine provides investment advisory services on both a discretionary and non-discretionary basis to wrap account clients who may be individuals, corporations, trusts and charitable foundations or endowments.

Client assets and securities for client accounts are held at Charles Schwab Corporation. Through the investment management agreement, clients appoint Schwab as custodian for the client's account. Clients also authorize Alpine to issue instructions to Schwab in connection with transactions Alpine initiates, and agrees that the client will instruct Schwab to follow Alpine's instructions. Alpine does not receive, retain or physically control any cash, securities, or other assets forming any part of the client's account.

The program offers two types of accounts:

##### **Professionally Managed Accounts**

If the client opens a professionally managed account, Alpine will, in its sole and full discretion, supervise and direct the investment and reinvestment of the assets in the account in any and all securities, assets and other investments in a manner that is consistent with the investment restrictions for the account.

##### **Self Managed Accounts**

If the client opens a self managed account, transactions are handled by Alpine on a non-discretionary basis. Alpine will provide investment recommendations to the client, using the client's input and Alpine's stock selection criteria. However, under the self managed account, the client will be solely responsible for implementing those recommendations and making trades in the account. The client may direct Schwab to make those trades for the client through Alpine's website, but Alpine will have no responsibility to implement its recommendations in the client's self managed account.

A wrap fee program whereby the client pays a single fee that covers investment advisory services and brokerage expenses for account trades. The fee covers both investment management services and brokerage services. Clients direct Alpine to use Schwab to execute any and all trades for the client's account. While Alpine has negotiated compensation arrangements with Schwab for the program, we will not have the ability to negotiate brokerage rates with Schwab for individual transactions, or to use or negotiate rates with other brokers because of your brokerage direction. Alpine receives a portion of the wrap fee for its advisory services and Schwab receives a portion of the fee for its custody and brokerage services, including brokerage commissions.

Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Management fees are paid quarterly in advance and are described by the following schedule:

<b>Household Assets</b>	<b>Annual Advisory Fee</b>
Up to \$500,000	1.5%
\$500,001 to \$2,000,000	1.25%

\$2,000,001 to \$5,000,000	1.1%
\$5,000,001 to \$10,000,000	1%
Over \$10,000,000	By Negotiation

Accounts are subject to a minimum fee of \$50 per quarter.

The management fees pay for Alpine's advisory services to clients, administrative expenses, custody charges and brokerage services for a client's portfolio conducted through Schwab. These services or programs may cost more or less than the management fee if purchased separately, depending on the fees charged by such other service providers. Clients that opt for the inclusive fee will not pay any transaction fees or costs beyond the inclusive management fee.

Management fees do not include expenses of money market mutual funds or any other investment pools in the client's portfolio, which expenses are paid indirectly by the client through their investment. Also, Schwab charges Individual Retirement Accounts (IRAs), Roth IRAs and 5305-SEP IRAs a \$35 annual maintenance fee and charges retirement accounts a \$50 termination fee. These maintenance and termination fees are charged by Schwab who is the custodian.

Alpine generally does not offer these services separately. However, clients may be able to purchase services similar to those offered from other service providers either separately or as part of a similar wrap fee program.

Alpine may recommend the program to clients or prospects, but it does not receive additional compensation beyond the management fee. Investment adviser representatives of Alpine are not compensated differently for clients that choose the inclusive fee arrangement versus the non-inclusive fee and therefore the representatives do not have a financial incentive to recommend one method over the other.

## **Item 5 - Account Requirements and Types of Clients**

Alpine offers its services to the following types of clients: individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or other business entities. Clients in the program may view their accounts through Schwab online portal. Clients with self managed accounts may view and initiate trades through this same online portal. Therefore, clients would need a working internet connection and access to the internet in order to view (and trade, in the case of self managed accounts) their account. Both Self-Managed and Professionally Managed account holders can rely on the custodian statements as well as accessing Schwab's online portal.

The minimum account requirements for opening an account are shown in the table below. However, Alpine may, at its sole discretion, accept accounts with a lower value.

### **Minimum Amount**

Professionally-Managed

\$100,000

Self-Managed \$25,000

Additional investments must be at least equal to \$25,000 for professionally managed accounts and a \$5,000 for self managed accounts.

(Methods of Analysis, Investment Strategies and Risk of Loss) and Item 17 (Voting Client Securities).

### **Item 7 - Client Information Provided to Portfolio Managers**

Alpine gathers client information such as guidelines, restrictions and suitability as part of the account opening process. This information is provided to the portfolio management team before the account is invested. As necessary, client information may be provided as part of routine management of the account (such as an update to restrictions) or whether the client wishes to close and liquidate the account. The portfolio management team is bound by the Alpine's established privacy policies and procedures with regard to sensitive client information.

### **Item 8 - Client Contact with Portfolio Managers**

Clients may contact the customer support unit for questions regarding their accounts. Alpine provides email and telephone contact information for customer support, for use by clients. Clients may also use the online portal offered by Schwab. After logging into their account online, clients can use the electronic messaging provided through the online account portal to communicate with Schwab's customer support unit.

Schwab provides clients with monthly reports for their accounts. The reports will show all securities held in the account at the close of the period and the beginning and ending value of the account.

Clients may also log into their account online at any time to view account holdings and activity.

### **Item 9 - Additional Information**

- A. Responses have been provided in Part 2A of Alpine's Form ADV for Item 9 (Disciplinary Information) and Item 10 (Other Financial Industry Activities and Affiliations).
- B. Responses have been provided in Part 2A of Alpine's Form ADV for Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), Item 13 (Review of Accounts), Item 14 (Client Referrals and Other Compensation), and Item 18 (Financial Information).

**FORM ADV PART 2B**  
**(Brochure Supplement)**

**Item 1- Cover Page**

**PENG KEN YAP**  
**ALPINE WEALTH MANAGEMENT, LLC**

530 Lytton Ave, Suite 200  
Palo Alto, CA 94301  
(650) 351-7988

April 24, 2015

This brochure supplement provides information about Joel Greenblatt that supplements the Alpine Wealth Management, LLC ("Alpine") brochure. You should have received a copy of that brochure. Please contact Alpine if you did not receive the brochure or if you have any questions about the contents of this supplement.

**Item 2- Educational Background and Business Experience**

***Peng Ken Yap***

***Managing Member and Chief Compliance Officer***

Year of Birth: 1958

Formal Education after High School:

National Taiwan University, Taiwan, ROC  
B.S. 1981

University of Washington, Seattle, WA 98195  
M.S. 1984

Business Background:

Alpine Wealth Management, LLC – Palo Alto, CA  
Chief Strategist, 2009 – Present

UBS Financial Services – Palo Alto, CA  
Accounts Vice President, 2001 – 2008

Key Prior Experience:

Mr. Yap is the Founder, Managing Member and Chief Compliance Officer of Alpine. He is formally a financial advisor and Account Vice President with UBS from 2001 till 2008. Prior to financial industry, he held several key positions with several companies in Northern California. He holds a B.S. (1981) from National Taiwan University and an MS (1984) from University of Washington.



**Item 3- Disciplinary Information**

Not applicable.

**Item 4- Other Business Activities**

Mr. Yap holds a State of California Insurance License.

**Item 5- Additional Compensation**

Mr. Yap receives compensation from clients of his books. He does not receive any economic benefits from non-clients for providing advisory services.

**Item 6 - Supervision**

Mr. Yap is a principal of the Adviser. He can be reached at (650) 351-7988.