



a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Altium Wealth Management, LLC (hereinafter “Altium” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Altium is required to discuss any material changes that have been made to the brochure since the last annual amendment dated March 31, 2014. While the format and general language of the brochure have been overhauled, no substantive changes have been made. As such, there are no material changes to disclose pursuant to this Item.

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Item 4. Advisory Business

Altium knows that its clients are individuals with unique circumstances, goals and requirements. As such, the Firm seeks to take into account the full spectrum of personal desires and wants to create a program that is uniquely designed for each client. The Firm's approach to wealth management begins with a probing, in-depth review, where an Altium representative listens intently to get a clear understanding of a client's true goals. Balanced by Altium's proprietary process, our dedicated financial professionals seek to provide clients with expert advice, strong fundamental values and guiding economic principles that empower a client to make educated decisions. Ultimately, the Firm's goal is to teach clients to utilize wealth in the most effective manner.

Altium offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Altium rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Altium setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Altium has been registered as an investment adviser since August, 2010 and is principally owned by Anthony J. DeStefano, Mitchell S. Brill, James J. Dowling, Jr. and James L. Giangrande. As of December 31, 2014, Altium had \$394,325,570 in assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of Altium, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Altium's behalf and is subject to the Firm's supervision or control.

Financial Planning and Consulting Services

Altium offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Retirement Planning
- Risk Management
- Charitable Giving
- Insurance Planning
- Tax Planning

While each of these services may be available on a stand-alone basis, generally these services will be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, Altium is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Altium may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Altium or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Altium under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Altium's recommendations and/or services.

Investment and Wealth Management Services

Altium manages client investment portfolios on a discretionary basis. In addition, Altium may provide clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary management of investment portfolios.

Altium primarily allocates client assets among various mutual funds, independent investment managers ("Independent Managers"), exchange-traded funds ("ETFs") and occasionally among individual debt and equity securities, all in accordance with a client's stated investment objectives. In addition, Altium may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Altium to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Altium directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Altium tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Altium consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their

portfolios. Clients are advised to promptly notify Altium if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Altium determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

While these services will vary based on the individual need of the client, they typically include:

- **Account Planning Meeting** – Initial meeting to discuss the financial goals of the client, financial circumstances of the client, tolerance for risk, assets to be managed and custodian recommendations.
- **Establishing an Investment Policy Statement** – Altium, in connection with the client, may develop a statement that summarizes the client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.
- **Asset Allocation** – Altium will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each client.
- **Portfolio Construction** – Altium will develop a portfolio for the client that is intended to meet the stated goals and objectives of the client.
- **Investment Management and Supervision** – Altium will provide investment management and ongoing oversight of the portfolio and overall financial plan.
- **Relationship Management** – Unlimited access to your investment adviser representative. Semi-annual meetings (in-person or teleconference based client's preference) to review goals, circumstances and current portfolio allocations. Further, clients are encouraged to notify Altium if their financial circumstance changes.
- **Reporting and Communications** – Altium provides reports from time to time that focus on current market investment topics, trends and a market outlook.
- **Account Aggregation** – Altium provides clients with a robust financial aggregation software tool to provide Client's with a holistic view of their financial world.
- **Investor Education Series** – Enrollment in Altium's Investor Education Series, if desired by the client.
- **Financial Planning Services** – Altium provides comprehensive financial planning services and target consulting services based on the unique needs of each Client.
- **Team Approach and Support** – In addition to each Client's relationship manager, the Client has access to Altium's staff, its Principals and the Chief Compliance Officer for questions regarding their account[s].

Retirement Plan Consulting Services

Altium provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and

optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Altium as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Altium’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

Use of Independent Managers

As mentioned above, Altium may select certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Altium evaluates a variety of information about Independent Managers, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposure. Altium also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Altium continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Altium seeks to ensure the Independent Managers’ strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests.

Item 5. Fees and Compensation

Altium offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement. In certain cases a significant portion of the revenue from advisory clients received by Supervised Persons, in their individual capacity, can result from commissions for the sale of insurance products.

Financial Planning and Consulting Fees

Altium generally charges a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,000 to \$10,000 on a fixed fee basis and/or from \$150 to \$650 on an hourly basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Altium may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Altium generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Investment Management Fees

Altium offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies up to 125 basis points (1.25%), depending upon the size and composition of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged quarterly, in advance or arrears, based upon the market value of the assets being managed by Altium on the last day of the previous billing period.

Where fees are charged in advance, if assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated

through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Altium may negotiate a fee rate that differs from the range set forth above.

Retirement Plan Consulting Fees

Altium generally charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered. In those situations where Altium has agreed to manage a plan's assets, the Firm may also charge an annual asset-based fee depending upon the amount of assets to be managed.

Fee Discretion

Altium may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to Altium, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. The Firm's brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients generally provide Altium and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees,

have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Altium. Alternatively, clients may elect to have Altium send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Altium's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Altium, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Altium may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Altium (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Altium.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Altium may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that Altium recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Altium, in its sole discretion, deems appropriate, Altium may provide its investment advisory services on a fee-offset basis. In this scenario, Altium may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

Item 6. Performance-Based Fees and Side-by-Side Management

Altium does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

Altium offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Value

As a condition for starting and maintaining an investment management relationship, Altium generally imposes a minimum portfolio value of \$500,000. Altium may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. Altium only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Altium may aggregate the portfolios of family members to meet the minimum portfolio size.

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

Methods of Analysis

Altium primarily utilizes a fundamental method of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Altium, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Investment Strategies

Altium generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Altium will typically hold all or a portion of a security for more than a year, but may hold for a shorter period, for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Altium may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Risk of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Altium's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Altium will be able to predict those price movements accurately or capitalize on any such assumptions.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually

20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, Altium may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Altium continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Altium generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Master Limited Partnerships (MLPs)

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

Options

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Item 9. Disciplinary Information

Altium has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Affiliation with Insurance Agency

Certain of Altium's Supervised Persons, in their individual capacities, are also insurance agents with Altium Planning LLC ("Altium Planning"), an affiliated insurance firm, and in such capacity, may recommend, on a fully-disclosed commissionable basis the insurance and business planning services of Altium Planning. A conflict of interest exists to the extent that Altium recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. Altium Planning currently has a forgivable loan of up to \$550,000 from Charter Oak Insurance and Financial Services Co., a general agency of Massachusetts Mutual Life Insurance ("MassMutual") in connection with the initial set up of Altium Planning. As this loan is forgivable upon Altium Planning achieving certain requirements, there may be a conflict of interest to the extent Altium recommends the purchase of insurance products through Charter Oak Insurance and Financial Services Co. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Registered Representatives of a Broker/Dealer

Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Item 11. Code of Ethics

Altium has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Altium's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Altium's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any

appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Altium to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker/Dealers for Client Transactions

Altium generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services™ ("Schwab").

Factors which Altium considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Altium's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Altium determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best

qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Altium seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Altium in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Altium does not have to produce or pay for the products or services.

Altium periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

The Firm may receive from Financial Institutions without cost to Altium, computer software and related systems support, which allow the Firm to better monitor client accounts maintained at these Financial Institutions. Altium may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at the Financial Institutions. The software and related systems support may benefit Altium, but not its clients directly. In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Firm's receipt of economic benefits from a Financial Institution creates a conflict of interest since these benefits may influence Altium's choice of a Financial Institution over another Financial Institution that does not furnish similar software, systems support, or services.

Products and Services Made Available Through Schwab

Schwab provides Altium and its clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab's retail customers. In addition, Schwab also makes available various support services, which are provided by either Schwab directly or another third-party vendor. Schwab may discount or waive its fees for some of these services or pay all or a part of a third party's fees. Some of these services help Altium manage or administer its clients' accounts, while others help the Firm manage and grow its business. Schwab's support services are generally available on an unsolicited basis and at no charge to Altium as long as the Firm maintains at least \$10 million of client assets in Schwab accounts.

The specific support services provided by Schwab are as follows:

Services that Benefit the Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Altium might not otherwise have access or that would require a significantly higher minimum initial investment.

Services that May Not Directly Benefit the Client

Schwab also makes available other products and services that benefit Altium but may not directly benefit clients or client accounts. These products and services, such as investment research, assist the Firm in managing and administering client accounts. Altium may use this research to service all or a portion of its clients' accounts, including those not maintained at Schwab. In addition to investment research, Schwab may also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and accounts statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of advisory fees from client accounts; and
- Assist with back office functions, record-keeping and client reporting.

Brokerage for Client Referrals

Altium does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct Altium in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Altium (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Altium may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Trade Aggregation

Transactions for each client generally will be effected independently, unless Altium decides to purchase or sell the same securities for several clients at approximately the same time. Altium may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Altium’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Altium’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Altium does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis

allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

Altium monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Altium and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Altium and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Altium or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

In the event a client is introduced to Altium by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Altium's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated

solicitor, the solicitor is required to provide the client with Altium's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Altium is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize Altium and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Altium.

In addition, as discussed in Item 13, Altium may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Altium.

Item 16. Investment Discretion

Altium may be given the authority to exercise discretion on behalf of clients. Altium is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Altium is given this authority through a power-of-attorney included in the agreement between Altium and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Altium takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Declination of Proxy Voting Authority

Altium generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Item 18. Financial Information

Altium is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.