

# Ladenburg Thalmann Asset Management Inc.

Symbil<sup>®</sup>

277 Park Avenue, 26<sup>th</sup> Floor

New York, NY 10172

(800) 995-5267

<http://www.ltam.com>

**This disclosure brochure provides information about the qualifications and business practices of Ladenburg Thalmann Asset Management Inc., as these relate to the Ladenburg Symbil service. If you have any questions about the contents of this brochure, please contact us at (800) 995-5267 or [lamp@ladenburg.com](mailto:lamp@ladenburg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Ladenburg Thalmann Asset Management Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

09/29/2017

## **Item 2 - Material Changes**

This section provides a summary of material changes that were made to this brochure since the annual amendment on March 30, 2017. Ladenburg Thalmann Asset Management Inc. ("LTAM") may make interim changes to this brochure throughout the year. Each brochure must be filed with the SEC and can be viewed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- There were no material changes to the brochure with this filing.

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## Item 3 – Table of Contents

## **Item 4 - Advisory Business**

### ***Symbil Service***

Symbil is an online interactive tool designed to assist clients in selecting among five mutual funds that LTAM manages. The service is accessed through the Symbil website at [www.Symbil.com](http://www.Symbil.com). Symbil uses a client questionnaire to gauge the client's time horizon, risk tolerance and investment objectives and creates the client's investment profile. The Symbil tool then suggests one of five Ladenburg Sponsored Funds whose investment guidelines and asset allocation most closely matches this profile. The five Funds are Ladenburg Income, Ladenburg Income and Growth, Ladenburg Growth and Income, Ladenburg Growth, or Ladenburg Aggressive Growth. (These are referred to as the "Funds" below.) These five Funds are the only investments LTAM recommends through the Symbil tool. The Symbil service features goal-based interactive software which helps clients better understand how their risk tolerance, time horizon, and investment goals may affect the expected performance of certain investments. Any projections regarding the likelihood of investment outcomes are hypothetical in nature and are provided for educational purposes. Symbil does not provide comprehensive investment advice, retirement planning services, or consider other assets held by clients. Symbil recommendations do not constitute tax or legal advice.

LTAM does not exercise any form of discretion over a Symbil client's investments. Clients have no obligation to accept any suggestions provided by Symbil or to invest in any of the Ladenburg Funds. If a client chooses to invest in the Fund Symbil recommends, the client will pass from the Symbil website into the website for the Funds' transfer agent, where the client will be guided through the purchasing process. The client also will be responsible for monitoring and adjusting his or her Fund investment as necessary, based on any significant changes in personal situation, time horizons, risk tolerance, and investment objectives. Clients should periodically reevaluate whether their time horizon, investment goals or risk tolerance have changed. The client may utilize the Symbil tool again for this purpose.

LTAM offers a number of other investment advisory products and services that are not described in this brochure, including a wrap-fee program that utilizes the same five strategies that are used by the Funds. You can find information about LTAM's other products and services at [www.ltam.com](http://www.ltam.com).

### ***Assets Managed***

LTAM managed \$1,508,980,655 of assets on a discretionary basis and \$487,247,435 of assets on a non-discretionary basis as of 12/31/2016. Symbil assets are reported as assets managed on a non-discretionary basis in the figures above.

## **Item 5 - Fees and Compensation**

There is no charge for the Symbil service. However, LTAM receives fees for managing the five Funds that are recommended through Symbil.

In addition to the advisory fees payable to LTAM, each Fund incurs administrative, and custodial fees, as well as other fees and expenses, such as brokerage commissions in connection with buying and selling securities for the Fund's portfolio. These costs make up each Fund's expense ratio, and are paid out of each Fund's own assets. Thus, these costs are ultimately paid by the shareholders of each Fund.

Symbil clients may purchase the Funds directly through the transfer agent's website without paying any load, sales charge or redemption fee. A client may also purchase the Funds through other channels, and fees and costs may be higher or lower than those charged to Symbil clients who purchase through the transfer agent's website.

Before choosing to invest in the Funds, please read each Fund's prospectus for further information about the Fund's expense ratio and other charges. Prospectuses are available at [www.ladenburgfunds.com](http://www.ladenburgfunds.com) or by contacting the fund administrator toll-free at 1-877-803-6583.

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

Neither LTAM nor any of its supervised persons receive performance-based fees—that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 - Types of Clients**

Symbil is available to all types of clients, but is primarily designed for individuals and families who plan to keep their account invested for at least one year. Clients must have a bank account to maintain a Symbil account. The minimum initial investment in each of the Funds is \$500. Subsequent investments must be at least \$50.

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

Through the Symbil service, LTAM applies an algorithm to a client's answers to a set of questions regarding risk tolerance, time horizon and investment goals and objectives in order to identify which of the Funds most closely matches the client's investment profile. The investment objectives of the Funds are aggressive growth, growth, growth & income, income & growth, or income. Each Fund is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Each Fund's underlying portfolio will primarily consist of Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), and mutual funds targeted for that Fund's underlying asset allocation. Clients cannot choose to exclude any of the underlying holdings of a Fund. Symbil recommendations are based on the information that the client provides through an investment questionnaire. Inaccurate information can impact the validity of Symbil recommendations. In addition to managing the Funds, LTAM also manages separate accounts in a wrap fee program using the same strategies and types of investments. See the discussion below in the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section for information on the potential conflicts presented by this situation and the steps LTAM takes to address those conflicts.

LTAM, as manager to each Fund employs a regimen of quantitative and qualitative investment criteria which allows LTAM to analyze potential funds and select funds for inclusion in the underlying holdings of the Fund. Each Fund entails varying degrees of risk. There can be no assurance that a particular Fund will be successful or that clients will not suffer losses. Results generated for each Fund may differ from the results achieved by separately managed accounts using the same strategies, and Fund performance is not guaranteed. Diversification does not ensure a profit or protect against loss in a declining market. There is no assurance that you will achieve positive investment results from investing in the Funds or using Symbil. LTAM cannot guarantee the future performance of its recommendation or the investment in the Funds and cannot guarantee that its recommendation will meet a client's needs or provide a given level of income. Please read each Fund's prospectus carefully for further information about a specific Fund's investment objectives, underlying portfolios, and risk. Mutual fund investing involves risk, including the possible loss of principal. Prospectuses are available at [www.ladenburgfunds.com](http://www.ladenburgfunds.com) or by contacting the fund administrator toll-free at 1-877-803-6583.

## **Item 9 - Disciplinary Information**

On August 25, 2016, pursuant to an offer of settlement by LTAM and as part of an enforcement sweep of 13 investment advisers, the SEC entered an order against LTAM (the "Order") making findings -- which LTAM neither admitted nor denied -- and imposing sanctions consisting of a cease-and-desist order and a civil money penalty. The Order indicates that LTAM violated Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and rule 206(4)-1(a)(5) thereunder by incorporating into certain advertisements for the Alpha Sector strategies offered through an LTAM wrap-fee program some inaccurate performance information

provided by F-Squared Investments, Inc. (“F-Squared”), without having a reasonable basis to conclude that the information was true. The Order also indicates that LTAM violated the Advisers Act’s recordkeeping provisions by failing to maintain records to substantiate the advertised performance information supplied by F-Squared. The Order acknowledges that LTAM’s wrap-fee brochure disclosed that LTAM did not verify performance information supplied by third-party managers used in the wrap-fee program.

## Item 10 - Other Financial Industry Activities and Affiliations

Ladenburg Thalmann Asset Management Inc. (“LTAM”) is an investment advisory firm and has been in business since October 29<sup>th</sup>, 1982. Ladenburg Thalmann Financial Services Inc. (“LTFS”) owns 100% of LTAM. LTFS is listed on the NYSE American under the symbol LTS. Dr. Phillip Frost and related entities Gamma Trust and Nevada Trust are beneficial owners of over 25% of LTFS.

Ladenburg Thalmann Financial Services, Inc. (“LTFS”) owns 100% of both LTAM and Ladenburg Thalmann & Co. Inc. (“LTCO”). LTCO is a registered broker-dealer and is the distributor of the Funds.

Other companies that are owned by LTFS and thus affiliated with LTAM are:

Ladenburg Thalmann Fund Management, LLC (LTFM)	50% owned by LTAM
Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Ladenburg Capital Agency Inc.	100% owned by LTFS
Ladenburg Thalmann Annuity Services, LLC	100% owned by LTFS
Triad Advisors, Inc.	100% owned by LTFS
Triad Hybrid Solutions, LLC	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
Arbor Point Advisors, LLC	80% owned by SAFC
KMS Financial Services, Inc.	100% owned by LTFS
Securities Service Network, Inc. (SSN)	100% owned by LTFS
SSN Advisory, Inc.	100% owned by SSN
HCHC Acquisition, Inc. (HCHC)	100% owned by LTFS
Highland Capital Brokerage, Inc.	100% owned by HCHC

Certain principal executive officers of LTAM may be employees, officers, or directors of affiliates listed above. These permitted additional responsibilities could be viewed as creating a conflict of interest in that the time and effort of the directors, officers, principals and employees of LTAM will not be devoted exclusively to the business of LTAM and may have conflicts of interest due to their loyalties to the different entities.

Certain of LTAM’s principal executive officers, members of the LTAM investment committee and other individuals who determine investment advice given to clients are registered representatives of LTCO.

Affiliated brokers may receive commissions or other selling compensation for effecting portfolio trades for the Funds. As explained below in *Client Referrals and Other Compensation*, affiliates and their associated persons may also receive fees for referring certain clients to Symbol.

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

LTAM has adopted a Code of Ethics for all supervised persons of LTAM, describing its high standards of

business conduct, and fiduciary duty to clients. The Code of Ethics also sets forth detailed policies and procedures regarding the personal trading of its personnel, as well as policies and procedures to prevent the misuse of material, non-public information by LTAM's officers and employees. In addition, the Code of Ethics establishes policies regarding other matters, such as outside employment and the giving or receiving of gifts and entertainment. All supervised persons at LTAM must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the LTAM Code of Ethics may be obtained by writing to: Ladenburg Thalmann Asset Management Inc., 277 Park Avenue, 26th Floor, New York, NY 10172.

As described above, through Symbil, LTAM recommends that clients invest in one or more mutual funds that LTAM manages. Because LTAM is compensated for managing these Funds, LTAM does not charge a separate fee for the Symbil service. Furthermore, LTAM's recommendations regarding the Funds are non-discretionary; clients may choose to follow or not follow the Symbil recommendation.

LTAM may recommend the Funds to Symbil clients at or about the same time that LTAM or its affiliates buy the Funds for their own accounts or recommend the Funds to, or buy the Funds for, other clients. Given the automated and non-discretionary nature of the Symbil service, LTAM does not believe this poses a conflict of interest. LTAM's Code of Ethics and internal policies and procedures are designed to reasonably ensure that LTAM acts at all times in the best interests of its clients.

As explained above, in addition to managing the Funds, LTAM manages separate accounts through a wrap fee program utilizing the same strategies and types of investments LTAM uses in managing the Funds. LTAM has a strict policy of not favoring one type of client account over another and has implemented procedures reasonably designed to ensure that all clients are treated fairly. LTAM employs a trade rotation policy for trading its managed accounts and the Funds.

## **Item 12 - Brokerage Practices**

Through Symbil, LTAM neither places securities trades with brokers on clients' behalf, nor recommends brokers to clients. As explained above, Symbil clients are given the opportunity to purchase Funds directly through the Fund's transfer agent. The brokerage practices of the Funds themselves are described in the Fund prospectuses.

## **Item 13 - Review of Accounts**

Symbil does not provide ongoing advice or monitoring or reviews of accounts.

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

In exchange for referring clients to the Symbil service, LTAM may pay a fee to persons who are associated with one of LTAM's affiliated broker-dealers. In some cases, the recipient of a referral fee may also be an LTAM-affiliated investment adviser or an independent investment adviser or a person associated with an affiliated or independent investment adviser. Such fees, which are payable only where a referred client chooses to invest in one of the recommended Funds, are a portion of the fee LTAM receives for managing the chosen Fund. In some cases, the referral fee is paid through the solicitor's registered broker-dealer or registered investment adviser. The referral fee arrangement between LTAM and the affiliated solicitor will be disclosed to the client upon entering the Symbil website.

## **Item 15 - Custody**

LTAM does not have custody of Symbil client funds or securities. An unaffiliated entity acts as custodian for the Funds and clients receive statements on a monthly or quarterly basis from the custodian.

## **Item 16 - Investment Discretion**

LTAM does not exercise investment discretion on behalf of Symbil clients. Clients have no obligation to accept any suggestions provided by Symbil or invest in any of the Funds.

## **Item 17 - Voting Client Securities**

Under Symbil, LTAM will not vote or exercise similar rights for client securities. The exercise of all voting rights associated with any Fund is the responsibility of the client. LTAM will not advise or act for the client in any legal proceedings, including bankruptcies or class actions, involving securities held by the clients. Proxies of the Funds will be delivered to the client by the issuer of the security, the custodian, or its agent.

## **Item 18 - Financial Information**

LTAM does not require prepayment of advisory fees six months or more in advance. LTAM has never been the subject of a bankruptcy petition.



## Ladenburg Thalmann Asset Management – Privacy Notice

FACTS	What does Ladenburg Thalmann Asset Management Inc. do with your personal information?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or services you have with us. This information can include:</p> <ul style="list-style-type: none"><li>▪ Social Security number</li><li>▪ Assets and investment experience</li><li>▪ Income and employment information</li><li>▪ Account transactions and retirement assets</li></ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>		
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Ladenburg Thalmann Asset Management Inc. (“LTAM”), chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does LTAM share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes – to offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We do not share
For our affiliates’ everyday business purposes – information about your transactions and experiences		Yes	No
For our affiliates to market to you		No	We do not share
For nonaffiliates to market to you		No	We do not share
Questions?	Go to <a href="http://www.ltam.com/contact.html">www.ltam.com/contact.html</a>		

This Privacy Notice applies to products and services used primarily for personal, family, trusts, corporation or entity and ERISA account purposes. We reserve the right to change this Privacy Notice, and any of the practices described within this policy, at any time. Ladenburg Thalmann Asset Management Inc., a SEC registered investment adviser.

09/17

Who We Are	
Who is providing This Notice?	Ladenburg Thalmann Asset Management Inc.
What We Do	
How does Ladenburg Thalmann Asset Management protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We train our employees in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.</p>
How Does Ladenburg Thalmann Asset Management collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ Open an account;</li> <li>▪ Seek advice about your investments;</li> <li>▪ Enter into an investment advisory relationship;</li> <li>▪ Tell us about your investment or retirement portfolio;</li> <li>▪ Apply for insurance.</li> </ul> <p>We also collect personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ Affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include the following entities:</p> <ul style="list-style-type: none"> <li>▪ <i>Ladenburg Thalmann &amp; Co. Inc., member NYSE, NYSE American, FINRA, and SIPC;</i></li> <li>▪ <i>Ladenburg Thalmann Fund Management LLC;</i></li> <li>▪ <i>Ladenburg Capital Agency Inc.;</i></li> <li>▪ <i>Investacorp, Inc.; Investacorp Advisory Services, Inc.;</i></li> <li>▪ <i>Triad Advisors, Inc.; Triad Hybrid Solutions, LLC;</i></li> <li>▪ <i>Securities America, Inc.; Securities America Advisors, Inc.;</i></li> <li>▪ <i>Securities America Financial Corp.; Arbor Point Advisors, LLC;</i></li> <li>▪ <i>Securities Service Network, Inc.; SSN Advisory, Inc.;</i></li> <li>▪ <i>Highland Capital Brokerage, Inc.; Premier Trust, Inc.;</i></li> <li>▪ <i>KMS Financial Services, Inc.;</i></li> <li>▪ <i>HCHC Acquisition, Inc.;</i></li> <li>▪ <i>Ladenburg Thalmann Annuity Services, LLC.</i></li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>We may share your personal information with your financial advisor's New brokerage or investment advisory firm.</i></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>We do not currently have nonaffiliated joint marketing partners.</i></li> </ul>
Other important information	
<p>If your primary address is in a state that requires your affirmative consent to share your personal information with a New firm (such as California, Massachusetts, Maine, New Mexico, North Dakota or Vermont), except to the extent that the laws of your state of residence provide for exceptions to the consent requirement, then you must give your written consent before we will share, or will allow your financial advisor to take any of your personal information to that New firm.</p>	

