

Item 1: Cover Page



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**Part 2A of Form ADV
Firm Brochure**

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This brochure provides information about the qualifications and business practices of TowerHill Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 314-725-6300. 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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about TowerHill Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules.

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Item 4: Advisory Business

A. TowerHill Wealth Management, LLC

TowerHill Wealth Management, LLC ("TowerHill" or "the firm") is a Delaware limited liability company and an investment adviser registered with the Securities and Exchange Commission. The firm was founded in 1997 and is principally owned by Tiehack, LLC, which is controlled by Mr. Rocky Kroeger, TowerHill's President. TowerHill is also owned by New Hal, LLC, which is controlled by Mr. Hal Kroeger, TowerHill's Chairman.

B. Advisory Services Offered

TowerHill provides investment advisory services on a discretionary basis to two types of clients: managed accounts for individuals and institutional clients ("IMAs"), and private investment funds ("Funds").

B.1. Individually Managed Accounts

TowerHill's investment advisory services for IMAs include assisting clients in establishing the appropriate portfolio asset allocation, selecting unaffiliated investment managers ("IMA Managers"), and managing the selected IMA Managers, including evaluation, performance analysis, and monitoring of the IMA Managers. We generally do not provide advice to IMAs concerning specific securities, though we will on occasion provide advice regarding those securities itemized in Item 8.

TowerHill seeks to comprehensively understand each individual client's investment objectives and risk tolerances. This facilitates a dialogue with respect to the construction of a portfolio that will satisfy those needs from the standpoint of liquidity, volatility and return expectations. We also work in conjunction with clients' outside professionals and advisers, ensuring that the portfolio integrates with the larger scope of each individual's strategy and management structure. By providing regular performance reviews and feedback on the strategies employed and discussing these in the context of client expectation, we are able to work to further refine and modify portfolios to meet the changing needs and goals inherent to each client relationship.

In addition to providing TowerHill with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are required to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify the firm of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. We will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account. We will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

B.2. Private Investment Funds

TowerHill serves as the managing member and discretionary investment adviser to five Funds. We may sponsor or manage additional private investment funds in the future. With the exception of managing Funds' short-term cash and cash equivalents, we generally do not provide investment advice to the Funds regarding specific securities; rather, we evaluate, engage and monitor the unaffiliated portfolio managers selected to manage Fund assets ("Fund Managers," together with IMA Managers, the "Managers") with the assistance of third-party sub-advisers (the "Sub-Advisers"). In exceptional circumstances, we may make decisions about specific securities in connection with the termination of relationship with a Fund Manager, or a Fund Manager may consult with us about a specific securities transaction.

We have a relationship with Pacific Alternative Asset Management Company, LLC ("PAAMCO"), an SEC-registered investment adviser, that serves as a sub-adviser to us for certain of the Funds under a sub-advisory agreement (the "PAAMCO Agreement"), as described in more detail in such Funds' offering memoranda.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

D. Wrap Fee Programs

TowerHill does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of December 31, 2016, TowerHill manages approximately \$8,567,098 of client assets on a discretionary basis and \$2,622,929 of client assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Individually Managed Accounts

The annual fee for investment advisory services for individually managed accounts is typically 1% of assets under management and all fees are negotiable. Clients will be invoiced in advance or arrears on a quarterly or monthly basis as set out in the investment management agreement between TowerHill and the client (the "IMA Agreement").

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable thereunder from the assets in the account when due with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. TowerHill may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

A client investment advisory agreement may be canceled at any time by either party with 30 days' prior written notice. Upon termination, any unearned, prepaid fees will be promptly refunded and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

A.2. Private Investment Funds

Our management fees for the Funds are typically 1% of the Fund's assets and are negotiable with the Fund. Depending on the Fund, Fund investors may pay our management fees directly to us, or the Fund itself may pay our fees directly, in which case the fees are deducted only from each individual investor's capital account in the Fund. Fund Managers' fees are paid by the Funds, and the Sub-Advisers' fees are typically paid by us (i.e., Sub-Advisers' fees are not in addition to Fund Managers' fees paid by the Funds). Similarly, PAAMCO's fees under the PAAMCO Agreement are paid by us out of our fees we receive from applicable Funds.

Investors in the Funds, like investors in other private investment funds, may be limited in their ability to terminate their participation in the pooled investment vehicle. Such limits are set out in the offering documents for the Funds, which should be read carefully.

B. Client Payment of Fees

B.1. Individually Managed Accounts

PFP requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the

account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

B.2. Private Investment Funds

Please refer to the Funds' offering documents for payment of fees.

C. Additional Client Fees Charged

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using PFP may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

D. Prepayment of Client Fees

D.1. Individually Managed Accounts

Depending on the terms set forth in the IMA Agreement, PFP may require fees to be prepaid on a quarterly or monthly basis. PFP's fees will either be paid directly by the client or disbursed to PFP by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

A client investment advisory agreement may be canceled at any time by either party with 30 days' prior written notice. Upon termination, any unearned, prepaid fees will be promptly refunded and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

D.2. Private Investment Funds

Please refer to the Funds' offering documents for payment of fees.

E. External Compensation for the Sale of Securities to Clients

The firm's advisory professionals are compensated solely through a salary and bonus structure. The firm is not paid any sales, service or administrative fees for the sale of mutual funds or any other investment products with respect to managed advisory assets. Further, none of the firm's employees receive any compensation from any Fund in connection with the placement of interests in a Fund.

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

TowerHill does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7: Types of Clients

TowerHill provides investment advisory services on a discretionary basis to two types of clients: managed accounts for individuals and institutional clients ("IMAs"), and private investment funds ("Funds").

TowerHill generally requires that IMAs have assets of at least \$1,000,000, though we reserve the right to lower that amount.

Each Fund has a minimum purchase requirement, as described in the Funds' respective offering materials. As the manager of a Fund, we may have discretion to modify such minimum purchase requirements.

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

A. Methods of Analysis and Investment Strategies

TowerHill generally does not provide IMAs or Funds advice on specific securities. Our approach to IMA investing mirrors the process employed in our work with all clients, beginning with a dialogue designed to determine each individual client's characteristics and investment needs. Factors which are key to this process include the client's objectives, income requirements, risk tolerance, and time horizon. This information is used to ascertain a strategy specific to each client, which will be the basis of constructing their personalized investment strategy. Some clients look for other types of investment exposure than the products that we regularly advise on, and in such cases we work with the client to identify and select those products or investment vehicle types that best achieve, and at an attractive cost, the ultimate goal of the investor, whether it be capital appreciation, income, or liquidity requirements.

IMA and Fund Managers are initially screened through a rigorous, disciplined research procedure undertaken by us with the assistance of one or more sub-advisers. This procedure involves personal visits, phone interviews and questionnaire responses from the Managers. Each Fund Manager's philosophy, decision-making process, organization, and performance are analyzed and tested to ensure accuracy, and evaluated relative to the needs of each Fund. Once Managers are retained for a Fund or IMA, the same rigorous analysis is applied on an ongoing basis. Managers are monitored through monthly contact, quarterly visits, and ongoing analyses of their performance and investment style. We generally contact the Sub-adviser and Managers on a daily basis and, on at least a weekly basis, receive valuation reports. We receive monthly reviews of performance and attribution from the Sub-advisers. We also provide an on-going review of the Sub-advisers and Managers with periodic reports.

With respect to the Funds, potential investors should carefully review more detailed information about Fund Manager selection and monitoring provided in the Funds' offering materials, in addition to the investment strategies utilized by particular Fund Managers. The individual Fund Managers employ investment strategies that may involve investments in broad asset classes and alternative investments.

Whether a client invests through an IMA or a Fund, clients should be aware that investing in securities involves risk of loss and clients should be prepared to bear that loss.

Material Risks: Clients considering an investment in a Fund should consider that investing in private funds involve certain risks beyond those which are associated with the underlying securities a Fund may own, including the following:

Illiquidity: Investments in the Funds are not liquid and each Fund restricts an investor's ability to transfer interests in the Fund ("Interests"). The sales of the Funds have not been registered under the Securities Act of 1933 or any similar state law, and no market exists for Interests.

No Assurance of Investment Return: Each Fund's task of identifying and evaluating investment opportunities, managing such investments and realizing a positive return for investors is difficult.

There is no assurance that a Fund will be able to invest its capital on attractive terms or continue to generate positive returns for its investors over the long term.

Valuations: The value of the securities held by the Funds, as well as the value of the Funds themselves, determine the level of fees paid by investors. Often the Funds' underlying investments are not publicly traded and therefore may be difficult to value. Accordingly, Fund investors face the risk that the Funds' value may not be accurately established.

Our Due Diligence Processes: The due diligence investigation that we perform with respect to any investment opportunity or Fund Manager may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity or Fund Manager, including, among other things, the existence of fraud or other illegal or improper behavior. Moreover, such an investigation will not necessarily result in the investment being successful.

Concentration of Investments: Because a high percentage of a Fund's total capital may be invested in a single or a few portfolio investments, any single loss may have a significant adverse impact on such Fund's capital. In addition, no Fund is required to diversify its investments among particular industries or regions.

Tax Considerations. An investment in a Fund may involve complex U.S. federal income tax considerations that will differ for each investor. Under certain circumstances, investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income. Since often Funds do not make any distributions to their members, a member's tax liability attributable to his or her investment in a Fund likely will exceed the cash distributed. Funds may invest in entities which would cause them to have to report for U.S. Federal income tax purposes to report taxable income prior to the time the Fund receives any distributions from such investments. In addition, a Fund's portfolio investments might expose the Fund to income taxation in foreign jurisdictions.

No 1940 Act or Advisers Act Protections: The Funds seek to maintain their respective structures so as to not be required to register as investment company under the Investment Company Act of 1940 ("1940 Act") and, therefore, the Funds' investors will not have the benefit of various protections afforded by the 1940 Act. In addition, Fund Managers may not be registered as investment advisers under the Investment Advisers Act of 1940 (the "Advisers Act"). Accordingly, such Fund Managers may not be subject to various disclosure requirements and rules that apply to registered investment advisers.

Two Levels of Fees: Although in many cases investor access to the assets held by a Fund may be limited or unavailable, an investor who meets the conditions imposed by such assets may be able to invest directly in such asset. By investing in a Fund asset indirectly through the Fund, the investor indirectly bears the asset-based fees and any performance-based fees and allocations of the underlying asset; and an investor in the Fund also bears a proportionate share of the fees and expenses of the Fund (including organizational and offering expenses, operating costs, the management fee and other fees). Thus, an investor in the Fund is subject to higher operating expenses than if he or she invested in a Fund asset directly or in an unregistered fund which

does not utilize a “fund of funds” structure. Moreover, the Fund’s return on its investment in such assets will be decreased by the asset managers’ management fees.

A.1. Material Risks of Investment Instruments

TowerHill may invest in open-end mutual funds and exchange-traded funds for the vast majority of its clients. In addition, for certain clients, TowerHill may effect transactions in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Private placements
- Structured products
- Corporate debt obligations

A.2.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company’s capitalization, quality of the company’s management, quality and cost of the company’s services, the company’s ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company’s ability to create shareholder value (i.e., increase the value of the company’s stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.2.b. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.2.c. Exchange-Traded Funds (“ETFs”)

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs[®], streetTRACKS[®], DIAMONDSSM, NASDAQ 100 Index Tracking StockSM (“QQQsSM”) iShares[®] and VIPERs[®]. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company’s advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.2.d. Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

A.2.e. Private Placements

Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business, or require additional capital to complete another phase in their growth objective. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

A.2.f. Structured Products

Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation.

Investment in structured products includes significant risks, including valuation, liquidity, price, credit and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.

Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high investment grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

A.2.g. Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

B. Investment Strategy and Method of Analysis Material Risks

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

B.1. Margin Leverage

Although TowerHill, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, TowerHill will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For

example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.2. Short-Term Trading

Although TowerHill, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3. Short Selling

TowerHill generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4. Technical Trading Models

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

C. Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item.

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Neither TowerHill nor its employees are registered broker-dealers and do not have an application to register pending.

B. Futures or Commodity Registration

TowerHill is not registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

TowerHill serves as the managing member and investment adviser to the Funds. It is possible that we may have a conflict of interest because we may receive a higher management fee for managing a Fund as compared to what we might receive from managing an IMA. We address this conflict by only recommending an investment in a Fund if such Fund is an appropriate investment for a client without regard to how we may be compensated.

We have a long-standing relationship with PAAMCO, which is influenced by our Chairman's personal relationship with PAAMCO. Mr. Hal Kroeger has served as a non-officer consultant to PAAMCO for many years under an arrangement in which Mr. Kroeger is compensated via a retainer and other compensation. Mr. Kroeger's arrangement with PAAMCO is separate from, and not dependent upon, our engagement of PAAMCO as our sub-adviser.

While Mr. Kroeger's relationship could be viewed as a conflict of interest to the extent it is possible that we have engaged PAAMCO as our sub-adviser in part to assist Mr. Kroeger in maintaining his compensated position with PAAMCO, we view the relationship as the opposite: but for Mr. Kroeger's relationship with PAAMCO, we would be unable to (indirectly) provide certain Funds with PAAMCO's expertise at a fair price (paid by us). While we believe that the level of assistance provided to us by PAAMCO justifies the fees we pay it—and we continually evaluate the efficacy of such assistance—Fund investors should understand that Mr. Kroeger's direct personal relationship with PAAMCO does create a conflict.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Although TowerHill does not receive any remuneration from advisers, investment managers, or other service providers that it recommends to clients, the firm engages sub-advisers to manage TowerHill client accounts and receives a portion of the overall advisory fees charged by TowerHill for its investment management services.

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

A. Code of Ethics Description

In accordance with the Advisers Act, TowerHill has adopted policies and procedures designed to detect and prevent insider trading. In addition, TowerHill has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of TowerHill's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of TowerHill. TowerHill will send clients a copy of its Code of Ethics upon written request.

TowerHill has policies and procedures in place to ensure that the interests of its clients are given preference over those of TowerHill, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

TowerHill does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, TowerHill does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

TowerHill, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which TowerHill specifically prohibits. TowerHill has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow TowerHill's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

TowerHill, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other TowerHill clients. TowerHill will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please [refer to Item 12.B.3 Order Aggregation](#)). It is the policy of TowerHill to place the clients' interests above those of TowerHill and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

While we do not typically select underlying investments for the Funds, we have discretionary authority to make the following determinations without obtaining the consent of the IMA or the Funds before transactions are effected:

- which securities are to be bought or sold;
- the total amount of the securities to be bought or sold;
- through which brokers securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

Our authority may be subject to conditions imposed by the client, such as where the IMA restricts or prohibits transactions in securities of a specific industry, and/or Funds' investment objectives or governing documents, and/or the IMA directs that transactions be effected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker or dealer being competitive as to price execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker or dealer whether or not competitive, and where the specified levels of commission discounts are less favorable than might otherwise be obtained by the firm.

A.1. Custodian Recommendations

Fund assets are custodied at US Bank. Additional info found in the respective Fund's offering documents.

For IMA accounts, the final determination to engage a broker-dealer or custodian recommended by TowerHill will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.2. Soft Dollar Arrangements

TowerHill does not utilize soft dollar arrangements. TowerHill does not direct brokerage transactions to executing brokers for research and brokerage services.

A.3. Brokerage for Client Referrals

TowerHill does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.4. Directed Brokerage

A.4.a. TowerHill Recommendations

Fund assets are custodied at US Bank. Additional info found in the respective Fund's offering documents.

For IMA accounts, the final determination to engage a broker-dealer or custodian recommended by TowerHill will be made by and in the sole discretion of the client.

A.4.b. Client-Directed Brokerage

Occasionally, clients may direct TowerHill to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage TowerHill derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. TowerHill loses the ability to aggregate trades with other TowerHill advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

TowerHill primarily operates through Sub-advisers and the Managers, and we generally do not make investment decisions on individual securities. We will, therefore, delegate our authority subject to any client-imposed conditions, to a Sub-adviser and the Managers. We will consider a Sub-adviser's or Manager's ability to seek "best execution" for securities transactions and use of "soft dollars" as part of its overall review of the Sub-adviser or Manager. Please refer to Manager's 2A for best execution and soft dollar transactions.

In those limited circumstances in which we provide advice and recommend individual securities transactions for our clients, we would enter orders through the client's primary custodian.

Since TowerHill may be managing accounts with similar investment objectives, TowerHill may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by TowerHill in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

TowerHill's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. TowerHill will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

TowerHill's advice to certain clients and entities and the action of TowerHill for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment

objective, guidelines and circumstances. Thus, any action of TowerHill with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of TowerHill to or on behalf of other clients.

B.3. Order Aggregation

Although the firm generally recommends Sub-advisers and Managers, there may be limited instances where the firm provides advice on individual securities, and enter such securities orders and transactions for clients. As such, orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if TowerHill believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

TowerHill acts in accordance with its duty to seek best price and execution and will not continue any arrangements if TowerHill determines that such arrangements are no longer in the best interest of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

IMAs are reviewed weekly by the firm's President, Rocky Kroeger. The review process of the Funds and the Managers includes personal visits to the Managers' offices, telephone discussions with the Managers and their staff, and review of Fund investment strategies and performance. The President participates in these reviews.

B. Review of Client Accounts on Non-Periodic Basis

TowerHill may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how TowerHill formulates investment advice.

C. Content of Client-Provided Reports and Frequency

TowerHill provides written valuation reports monthly and formal written condition reports annually to IMA accounts.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by TowerHill.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

TowerHill does not receive economic benefits for referring clients to third-party service providers.

B. Advisory Firm Payments for Client Referrals

TowerHill compensates registered broker-dealers for selling interests in one or more Funds. For information on any such arrangement, please refer to the individual Fund's offering materials.

Item 15: Custody

Please be advised that due to the firm's role as managing member of its private Funds and may deduct fees from the Funds' accounts or Fund investors' capital accounts, the firm is deemed to have custody and is subject to additional state-imposed requirements.

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Clients are urged to compare billing statements provided by TowerHill to the custodian statement for accuracy. Any discrepancies should be brought to the firm's attention. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

For the firm's discretionary accounts, clients may grant a limited power of attorney to TowerHill with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, TowerHill will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

In our role as manager of each Fund, the Funds' respective operating agreements grant us full authority to manage the assets and affairs of such Fund.

Item 17: Voting Client Securities

TowerHill does not take discretion with respect to voting proxies on behalf of its clients. TowerHill will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of TowerHill supervised and/or managed assets. In no event will TowerHill take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, TowerHill will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. TowerHill has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. TowerHill also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, TowerHill has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where TowerHill receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18: Financial Information

A. Balance Sheet

TowerHill does not require the prepayment of fees of \$500 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

TowerHill does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.

Item 19: Requirements for State-Registered Advisors

A. Principal Executive Officers and Management Persons

Rocky Kroeger is the president of TowerHill. Education and business background information are included in the Brochure Supplement provided with this Brochure.

B. Outside Business Activities Engaged In

Any outside business activities are disclosed in Rocky Kroeger's Brochure Supplement.

C. Performance-Based Fee Description

TowerHill does not charge performance-based fees. See Item 6 of this Brochure.

D. Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons

Other than what has been supplied in response to Item 9, there is no additional information to disclose.

E. Material Relationships Maintained by this Advisory Business or Management Persons with Issuers of Securities

Other than what has been supplied in response to Item 10.C. of this Brochure, there is no additional information to disclose.