

Item 1: Cover Page

**Quadrant Capital Group, LLC
dba Constellation Wealth Advisors
dba Quadrant Family Wealth Advisors
dba Quadrant Private Capital Solutions
dba Constellation Sports Council**

Part 2A of Form ADV

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Updated: March 28, 2024

This brochure provides information about the qualifications and business practices of Quadrant Capital Group, LLC dba Constellation Wealth Advisors (“Constellation”), Quadrant Family Wealth Advisors (“Quadrant”), Quadrant Private Capital Solutions (“QPCS”), and Constellation Sports Council (“CSC”), (together referred to as “Constellation” or “the Firm.”) If you have any questions about the contents of this brochure, please contact us at (513) 871-5500. 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.

Quadrant Capital Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Quadrant Capital Group, LLC is also available on the SEC’s website at: www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Quadrant Capital Group’s CRD number is 147253.

Item 2: Summary of Material Changes

This Brochure, dated March 28, 2024, was prepared in accordance with the SEC requirements, and contains the following material changes from the prior year's annual amendment (filed on March 30, 2023).

- The Quadrant Partners Real Estate Navigator Fund LP was dissolved on 12/31/23.)
- The firm updated language in Item 8 *Method of Analysis, Investment Strategies and Risk of Loss* in regard to the recommendation of private funds to certain clients, and separately the risk of loss.

You may obtain a copy of our Brochure by contacting us at 513-871-5500 or by email at Info@constellation-wealth.com.

Additional information about the firm is also available via the SEC's website www.adviserinfo.sec.gov.

Item 3: Table of Contents

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Item 4: Advisory Business

Wealth Management

Quadrant Capital Group, LLC (“We”, “Us”, or “Our”) and doing business as names of Constellation Wealth Advisors (“Constellation”), Quadrant Family Wealth Advisors (“Quadrant”), Quadrant Private Capital Solutions (“QPCS”), and Constellation Sports Council (“CSC”), is a registered investment adviser. We primarily provide customized investment advisory services to high-net-worth individuals and associated trusts, estates, corporate plans, and other legal entities. We generally invest client assets in domestic and international stocks, bonds, mutual funds, and exchange traded funds (“ETFs”), separately managed accounts, and alternative investments, including a proprietary private capital platform. We are a fiduciary and are required to act in a client’s best interest at all times.

We work with each client to establish an appropriate investment profile based upon the client’s goals. Clients choose from growth, balanced, and conservative strategies, and can impose reasonable restrictions on our management of their accounts.

Private Investment Funds

We also provide investment advisory services to private investment funds Quadrant Private Capital Solutions LP, Blue Water Quadrant LLC, Tulco Quadrant LLC, and Quadrant Private Capital Solutions Platform LP (collectively the “Funds”) as investment adviser. Quadrant GP LLC and Quadrant PCS GP LLC serve as general partners to the Funds. (The Quadrant Partners Real Estate Navigator Fund LP was dissolved on 12/31/23.) The Fund assets are held at qualified custodians which provide quarterly statements to the Fund investors. Each fund is subject to an annual audit performed by an independent public accountant.

Quadrant Private Capital Solutions (“QPCS”) is a proprietary platform which provides a process-driven framework for families and institutions to create highly customizable private capital portfolios. QPCS seeks to invest in fund, direct, and co-investment opportunities in the range of \$5 to \$50 million per individual opportunity.

The Funds offer securities to investors only through private placements of such securities. Please refer to the Funds’ offering documents for information related to the risks, suitability requirements, investment objectives, fee charges and expenses for the Fund.

Constellation Sports Council

Constellation Sports Council is a specialized practice that assists current and former professional athletes with wealth management advice and implementation, structured to recognize the athlete’s unique needs. An understanding gained from decades of experience in pro sports as well as wealth management provides us with a unique platform from which to guide and counsel young professionals on the opportunities and risks that come with receiving sudden wealth at a young age.

ERISA

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Constellation is capable of accepting fiduciary responsibility under Section 3(21) and as an investment manager under Section 3(38) of ERISA. The primary clients for these services will be institutions – pension, profit sharing and 401(k) plans, endowments, foundations and operating non-profits, such as healthcare organizations; as well as private clients, individuals, trusts and estates.

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We were founded in 2009 and are owned by Patrick A. Lafley and John M. Williams. As of December 31, 2023, we managed \$2,192,676,526 on a discretionary basis and \$1,707,482,558 on a non-discretionary basis for total assets under management of \$3,900,159,084.

Client Communications and Delivery of Documents

From time to time, we may be required to deliver certain documents to the client. Client, to the extent that client has email capability and/or web access, hereby consents to the Adviser's use of electronic means, such as email, to make delivery of required and other documents. This delivery may include notification of the availability of such documents on a website, and client agrees that such notification will constitute "delivery." In conjunction with any relevant agreement, the client agrees to provide us with the client's email address and to keep this information current at all times by promptly notifying us of any change in email address.

Item 5: Fees and Compensation

We provide fee options to our clients which are both assets under management based (generally does not exceed 1.00% annually) and flat fee based (generally does not exceed \$500,000 annually). The firm has a minimum annual fee of \$20,000, which is payable quarterly. Depending on circumstances, we may negotiate fees for clients and treat each client in a customized way depending upon their unique situation.

The specific manner in which we charge fees is set forth in a client's written advisory agreement. Fees are generally billed quarterly in advance. The advisory fee will be pro-rated based upon the number of days that the Account was open during the quarter. The fee applicable to assets deposited to the Account shall be prorated from the date of deposit. Most clients authorize us to deduct fees automatically from their taxable brokerage accounts, but clients may request that we send invoices to be paid by credit card, check or ACH.

From time to time, the firm forms and offers partnership interests in closed-end private equity funds. For certain qualified investors that make a large commitment, the level of the asset-based management fee may be reduced. If carried interest applies, investors generally pay a percentage of profits after a return of contributed capital and a preferred return. Fund investors will also incur an operations fee related to fund expenses. The Firm also manages and advises on legacy funds no longer open to new investors. These partnerships charge different fees and/or carried interest from those we would charge on newly formed partnerships. Additional information regarding fees can be found in each fund's private placement memorandum & Limited Partnership Agreement.

The Firm's fees are exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses which shall be incurred by the client. To the extent that clients' accounts are invested in mutual funds or other investment companies such as ETFs, these funds pay a separate layer of management, trading, and administrative expenses. Likewise, assets managed by sub-advisors or separate account managers (together "Managers" of "separately managed accounts") will be included in asset values for purposes of computing Constellation's advisory fees and these same assets will be subject to additional advisory and other fees and expenses charged by the Managers.

Other Compensation

Certain of the firm's advisory representatives, in their individual capacities (and not as representatives of the Firm), are also independent licensed insurance agents, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that an advisory representative recommends the purchase of insurance products where they also receive insurance commissions. Clients are under no obligation to purchase insurance products through any person affiliated with our firm.

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

In some cases with our private funds, the firm enters into performance fee arrangements. Performance fees for the Quadrant Private Capital Solutions Platform Fund are standardized and do not vary across limited partners of the fund. For other private funds, performance fee arrangements may vary in accordance with negotiated fee structures set forth in the applicable limited partnership agreement.

The receipt of performance-based fees creates conflicts of interest. Performance-based fee arrangements create an incentive for the firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In order to reduce potential conflicts of interest, the firm does not show preferential treatment to accounts under a performance-based fee arrangement. We have procedures designed and

implemented to treat all clients fairly over time, and to prevent this potential conflict from influencing our selection of investments for accounts with performance-based fee arrangement or the allocation of investment opportunities among clients.

Item 7: Types of Clients

We primarily provide customized investment management and wealth advisory services to high-net-worth individuals and associated trusts, estates, and other legal entities. The minimum client relationship size is generally \$2,000,000 but amounts are negotiable.

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

Money managers considered for our clients will be subjected to a rigorous due diligence process. Factors considered will include, but are not limited to: reputation, performance record, assets under management, philosophy, continuity of management, service to clients, awareness of after-tax performance objectives, minimum dollar investment requirements and fees. Information with respect to money managers (e.g., performance figures, investment style, etc.) will be obtained from tracking organizations, business publications, business contacts, other money managers, personal interviews and other sources which we believe are reliable. We may also consider other criteria, including, but not limited to, the administration, recordkeeping and reporting services provided by a manager. From time to time, we may retain outside consultants to assist in preparing money manager search lists. In the event that we retain an outside consultant, we will make the final determination regarding which money managers we will make available to our clients.

Our Investment Committee generally meets weekly to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

We retain the services of Fund Evaluation Group ("FEG") to assist in identifying qualified money manager candidates. However, we make the final determination regarding which money managers are made available to our clients and why. We have contracted with FEG to provide research and due diligence. Through our engagement with FEG, we utilize FEG's services, including a comprehensive investment platform with particular expertise in alternative investments.

We also retain a third-party vendor that provides client portfolio reporting, data aggregation, billing services, and a contact relationship management system.

All investing involves a risk of loss. In implementing our asset allocation process to a client's portfolio, we may invest in mutual funds, exchange traded funds (or notes), individual equities, and individual fixed income. The Firm also provides advice and makes recommendations to wealth management clients who qualify for private placements and private funds including the Firm's private funds. In determining the client's long-term investment objectives, we help clients understand the inherent risks involved in investing in capital markets and private funds. As with all investment securities, there is a risk of loss of both income and principal. Clients should not assume that any investment will be profitable or achieve any specific performance level.

Recommending Securities

We, in certain situations may recommend investments in selected private placements or hedge funds. These types of investments may present unique risks due to the use of leverage and potential lack of liquidity. In addition, such recommendations are typically limited only to those clients that are “Qualified Purchasers” as defined in the Investment Company Act of 1940, or in some cases, “Accredited Investors” as defined in Rule 205-3 of the Investment Advisors Act of 1940. These types of investments also have varied and unique fee structures of their own. In the event we receive a portion of the fee charged from a third-party manager, the value of a client’s assets invested with that manager will be removed from the asset base upon which our fees are calculated and billed. Due to the unique and complex nature of these investments, clients will receive a separate disclosure prior to any investments being made.

Item 9: Disciplinary Information

Neither the Firm, nor any of our employees, have been involved in any legal or disciplinary events that would be material to a client’s evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

As discussed in Item 5 certain persons providing investment advice on behalf of our firm may also be licensed as independent insurance agents. In their individual capacities (and not as representatives of the Firm), these persons may recommend the purchase of certain insurance products. A conflict of interest exists to the extent that an advisory representative recommends the purchase of insurance products where they also receive insurance commissions. Clients are under no obligation to purchase insurance products through any person affiliated with our firm.

Quadrant GP LLC is the general partner for Quadrant Private Capital Solutions LP, Blue Water Quadrant LLC, and Tulco Quadrant LLC. Quadrant PCS GP LLC is the general partner for Quadrant Private Capital Solutions Platform LP. Please refer to Item 4 for more information related to this activity.

The Constellation Sports Council Co-Founders, who are also clients of the firm, receive compensation in the form of a charitable donation. As associated persons of Constellation, the Constellation Sports Council Co-Founders’ activities are monitored by the Firm, and the Co-Founders receive training at least annually and are required to submit quarterly attestations.

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

Our employees may, on a limited basis, purchase for their personal accounts the same securities that may be recommended to clients. To support our desire for complete transparency and to avoid any potential conflicts of interest including personal trades, we have adopted a Code of Ethics (the “Code”) which includes formal personal securities transaction and insider trading policies and procedures. Our Code requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with

the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;

- Place the integrity of the investment profession, the interests of clients, and our interests above one's own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest, or otherwise mitigate and disclose;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals;
- Comply with applicable provisions of the federal and state securities laws.

Our Code also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

As described above, Constellation Wealth Advisors has formed certain private investment funds to facilitate client investments in certain offerings that, due to minimum investment size requirements would not otherwise be accessible to Constellation clients. In connection with its private funds, Constellation owns or controls the following subsidiaries which serve as general partners to their respective pooled vehicles:

- Quadrant GP LLC
- Quadrant PCS GP LLC

Each General Partner has designated Constellation primary responsibility for investment management and administrative matters, such as accounting, tax, and periodic reporting pertaining to each pooled vehicle. Constellation and its directors, officers, and employees will devote to the Funds as much time as necessary and appropriately manage each pooled vehicle. For the services provided to these pools, Constellation will benefit from appreciation on the underlying fund investments to the same extent as the client up to a point in time that a pre-determined hurdle rate is reached. As mentioned in *Item 6—Performance-Based Fees and Side-By-Side Management*, Constellation may potentially earn performance-based fees once a pre-determined hurdle rate is reached. The firm and its affiliates and its employees are prohibited from taking commissions or other compensation from the sponsors of investments in the Funds.

Constellation is not restricted from forming additional investment funds, entering into other investment advisory relationships, or engaging in other business activities, even though such activities could be in competition with the Funds and/or involve substantial time and resources of our firm.

Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the Funds. Investments in the Funds are recommended to advisory clients for whom a partnership investment is more suitable than a separate advisory account managed by our firm.

Constellation Wealth Advisors (d/b/a QPCS) typically does not charge management fees within any private fund vehicle for Constellation wealth advisory clients. Management/advisory fees are typically charged on an AUM basis or fixed fee basis at the firm level. There are no instances where Constellation charges its clients a fee on both an AUM basis at the firm level and within private fund vehicles (no double charging). Clients who invest in QPCS or other firm private fund vehicles pay their portion of standard fund expenses, including operations fees, and in some instances, performance fees.

The Funds are not required to register as an investment company under the Investment Company Act of 1940 in reliance upon one or more exemptions available to funds whose securities are not publicly offered. Constellation manages the funds on a discretionary basis in accordance with the terms and conditions of the fund's offering and organizational documents.

Item 12: Brokerage Practices

We do not maintain physical custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see ***Item 15—Custody***, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We typically have limited trading authority over client account(s). We may determine both the amount and the type of securities to be bought or sold. The client signs a limited power of attorney to allow us this trading authority (See ***Item 4—Advisory Business***).

We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in ***Item 14—Client Referrals and Other Compensation***. You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, security and stability
- Services delivered or paid for by Schwab
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below. See “Products and services available to us from Schwab”

Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

Products and Services Available to Us From Schwab

Schwab Advisor ServicesTM is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage-trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help the us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

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 we might not otherwise have access or that would require a significantly higher minimum initial investment by the firm's clients. Schwab's services described in this paragraph generally benefit the client and their accounts.

Services That Do Not Directly Benefit the Client

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or the client's accounts. These products and services assist us in managing and administering clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of clients' accounts including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- consulting on technology and business needs;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants, and insurance providers; and
- marketing and consulting support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the firm. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides the firm with other benefits such as occasional business entertainment of our personnel. If you do not maintain your account with Schwab, we would be required to pay for those services from our own resources.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

Schwab Administrative Trust Services

Trust services are available through Schwab Administrative Trust Services ("SATS"). SATS will serve as trustee, co-trustee, or agent for the trustee, while specializing in delegating investment management to financial advisors. This model allows our clients to utilize SATS to provide professional trust administrative services while we provide investment management services.

SATS serves in an administrative corporate trustee role, providing all record keeping, accounting and tax preparation; also, SATS ensures that trusts are managed and distributions occur according to the terms of the trust document.

The Firm utilizes the services provided by FEG, including, but not limited to, investment manager search and selection, performance monitoring and reporting.

As previously mentioned, we will make recommendations based on the needs of the client and the services provided by the various broker/dealers. Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by the Custodians or any other designated broker-dealer are exclusive of and in addition to our fee. The Custodians enable us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodians may be higher or lower than those charged by other broker-dealers. The commissions paid by our clients shall comply with our duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission is 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 broker-dealer's services, including among others, the value of research provided,

execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If a client requests us to arrange for the execution of securities brokerage transactions for the client's account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We shall periodically and systematically review our policies and procedures regarding recommending broker-dealers to our client in light of our duty to obtain best execution. Although we will strive to execute client-requested trades in a manner that is most advantageous to the client, we cannot guarantee prompt execution or best execution for such trades.

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

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 us in our investment decision-making process. Such research generally will be used to service all of our 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.

We may receive from the Custodians or any other broker-dealer, without cost to us, computer software and related systems support, which allows us to better monitor client accounts maintained at the Custodians. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at the Custodians. The software and related systems support may benefit us, but not our clients directly. In fulfilling duties to clients, we endeavor at all times to put the interests of clients first. Clients should be aware, however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of one broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, we may receive the following benefits from the Custodians, or any other broker-dealer: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; and access to an electronic communication network for client order entry and account information.

On occasions when we deem the purchase and sale of a security to be in the best interest of more than one of our clients, we may aggregate multiple contemporaneous client purchases or sell orders into a block order for execution. Executed orders are allocated among participating accounts according to each account's pre-determined participation in the transaction. Clients' accounts for which orders are aggregated receive the average price of such transaction, which could be higher or lower than the price that would otherwise be paid by a client absent the aggregation. Any transaction costs incurred in the transaction will be shared pro rata based on each client's level of participation in the transaction.

We do not regularly purchase initial public offerings for our clients and do not intend to change that practice.

Item 13: Review of Accounts

Accounts under our management are monitored on an ongoing basis by the Adviser assigned to that Client. The Adviser reviews each account in detail on at least a quarterly basis, as well as in connection with each client meeting. In addition, on at least a quarterly basis the Investment Committee members review a number of reports that are designed to identify accounts that are outside the expected ranges for returns, and exposure to asset classes. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis, but typically monthly. We may supplement these custodial statements with reports provided during periodic client meetings or as requested. Electronic mail is an acceptable form of delivering these materials. This delivery may include notification of the availability of such documents on a website, and client agrees that such notification will constitute "delivery." (see *Item 4—Advisory Business* above). Please compare this account statement with the custodian statement(s) for the same period. Nominal differences may occur in the total dollar amount due to the recording of dividend or interest payments after custodian statement deadlines.

Item 14: Client Referrals and Other Compensation

We currently pay no portion of our advisory fees to any other investment adviser in exchange for referrals of clients to us. We do not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients except as described in *Item 12—Brokerage Practices*.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a

custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see *Item 12—Brokerage Practices*).

We may also compensate our employees, including our portfolio managers, who refer potential clients to us for our services. Thus, the employee will have a financial interest in the selection of the Firm by the client for advisory services.

Item 15: Custody

Constellation is not a qualified custodian and does not maintain custody of client funds and securities. However, Constellation is deemed to have custody of some of its client's accounts due to affiliated employees acting as trustee for client accounts, the processing of third-party checks on the behalf of clients, and its ability to directly access some client accounts to facilitate its comprehensive wealth management (e.g. trading and advisory fee deduction) and other services offered to clients. In order to satisfy the SEC custody rule, Constellation submits itself to an annual surprise asset verification examination by an independent public accounting firm.

We are considered to have custody of client assets due to the relationship with the Private Funds. Each Private Fund has an annual audit performed by an independent public accountant.

Clients are sent account statements on a quarterly, or on a more frequent, basis directly from their qualified custodians. Constellation encourages clients to carefully review and compare Constellation's reports to their custodial statements and notify Constellation if any discrepancies are found.

Item 16: Investment Discretion

We have discretionary and non-discretionary relationships with clients. Clients grant us trading discretion through the execution of a limited power of attorney included in our advisory contract.

Clients can place reasonable restrictions on our investment discretion. For example, some clients have asked us not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

Item 17: Voting Client Securities

Typically, we will not vote proxies on behalf of client accounts. Although we may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights.

Class Action Lawsuits

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. We have no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. We also have 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, we have 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.

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

Item 18: Financial Information

We do not have any adverse financial condition that is expected to affect our ability to manage client accounts. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.