

Disclosure Brochure

March 20, 2024

HighPass Asset Management LLC

a Registered Investment Adviser

999 18th Street, Suite 3000
Denver, Colorado 80202

303-357-4602

www.highpassasset.com

This brochure provides information about the qualifications and business practices of HighPass Asset Management LLC, CRD No. 159535 (hereinafter "HPAM"). If you have any questions about the contents of this brochure, please contact Ethan S. Braid at (303) 357-4602. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about HighPass Asset Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

HighPass Asset Management LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since HPAM's last annual update dated March 21, 2023. The Firm has updated Item 5 to disclose that its hourly billing rate is now \$750.

Item 3. Table of Contents

Item 1. Cover Page	i
Item 2. Material Changes	ii
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	6
Item 6. Performance-Based Fees and Side-by-Side Management	8
Item 7. Types of Clients	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9. Disciplinary Information	11
Item 10. Other Financial Industry Activities and Affiliations	11
Item 12. Brokerage Practices	12
Item 13. Review of Accounts	16
Item 14. Client Referrals and Other Compensation	17
Item 15. Custody	17
Item 16. Investment Discretion	18
Item 17. Voting Client Securities	18
Item 18. Financial Information	18

Item 4. Advisory Business

HPAM (or the “Firm”) is an independent, fee-only, investment advisory firm with a fiduciary duty to the clients it serves. The Firm is passionate about learning and understanding its clients’ unique wealth management needs and then providing an objective, advice-driven solution. HPAM is dedicated to putting client interests ahead of the Firm and believes that in order to provide objective and high quality advice, HPAM must seek to mitigate any conflicts of interest.

HPAM has been conducting business as a registered investment adviser since December 2011. The Firm is wholly owned by Ethan S. Braid. The Firm provides financial planning, investment management and wealth management services. Prior to engaging HPAM to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which HPAM renders its services (collectively the “*Agreement*”).

As of January 31, 2024, the Firm has \$160,097,599 in assets under management, all of which are managed on a discretionary basis.

This Disclosure Brochure describes the business of HPAM. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of HPAM’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on HPAM’s behalf and is subject to HPAM’s supervision or control.

Wealth Management Services

Clients can engage HPAM to manage all or a portion of their assets on a discretionary basis. In addition, HPAM may provide its clients with a broad range of comprehensive financial planning services which may include retirement, cash flow and estate planning as well as the preparation of a net worth statement (as detailed below). Clients can engage HPAM to provide investment management and financial planning services separately, or together as part of the Firm’s overall wealth management offering.

Retirement Planning

The Firm’s retirement planning process is focused on identifying sources of retirement cash flows (investments, real estate, pensions, etc.) and analyzing the risk metrics associated with these sources of cash flow. HPAM strives to achieve two goals in its retirement planning process. First, to learn and understand the client’s cash flow needs and to educate the client on what amount of cash flow their portfolio can produce. Second, to manage the client’s portfolio with an emphasis on preserving capital, while at the same time seeking to provide the necessary cash flows needed throughout the client’s retirement.

Cash Flow Planning

Cash flow analysis can be very helpful for clients when trying to plan future flows of income and expenses. The Firm may also incorporate planned nonrecurring events such as paying for college or a second home.

Net Worth Statement

The Firm may prepare a personal net worth statement for certain clients. This output demonstrates what a client owns, how assets are titled (individual name, trust name, joint, etc.) and what liabilities exist. This document can prove helpful when conducting estate planning.

Estate Planning

HPAM's estate planning process begins with the development of a personal net worth statement. Once the personal net worth statement is produced, the Firm learns the client's estate planning objectives. The Firm then reviews account registrations, beneficiary designations and existing documents and discusses wealth transfer and gifting strategies. In general, the Firm finds that when estate planning has already been conducted, certain assets are incorrectly titled relative to the existing plan. The Firm may but is not obligated to coordinate with separate legal counsel for estate planning services.

Tax Planning and Preparation

HPAM may also assist clients with income tax planning and preparation. With respect to planning, the Firm periodically consults with clients on fulfilling tax compliance requirements and identifying opportunities for reducing current and future tax liabilities. With respect to tax preparation, the Firm assists clients with annual tax preparation and filing. The Firm may but is not obligated to coordinate with separate tax professionals for tax planning and preparation services.

Investment Management

As part of HPAM's management services, the Firm primarily allocates clients assets among exchange-traded funds ("ETFs"), individual equities, and mutual funds. As detailed in Item 8, the Firm may also utilize cash, certificates of deposits ("CDs"), treasuries, individual debt securities and/or options in accordance with the investment objectives of the client. In addition, HPAM may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, pooled investment vehicles and fund-of-funds when consistent with the clients' investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon.

The Firm tailors its advisory services to the individual needs of clients. HPAM consults with clients initially and on an ongoing basis as needed to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. For certain clients, the Firm may also develop an investment policy statement ("IPS"). HPAM seeks to ensure that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify HPAM if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions on HPAM's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in HPAM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Item 5. Fees and Compensation

HPAM offers its services on a fee basis, which include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning Fees

HPAM charges a fixed fee or hourly fee for financial planning services. These fees are negotiable, but generally range from \$2,500 to \$15,000 on a fixed fee basis or are charged at a flat fee of \$750 on an hourly rate basis, depending upon the level and scope of the services provided. If the client engages the Firm for additional investment advisory services, The Firm may offset all or a portion of its fees for those services based upon the amount paid for the financial planning services.

Prior to engaging HPAM to provide financial planning services, the client is required to enter into a written agreement with HPAM setting forth the terms and conditions of the engagement. Generally, the Firm requires one-half of the financial planning fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services. HPAM renders financial planning services within six months of entering into the written agreement.

Investment Management and Wealth Management Fees

HPAM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by HPAM. This asset-based fee may include certain of the financial planning services described above as part of the Firm's wealth management offering. HPAM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees and other related costs and expenses which are incurred by the client. HPAM does not, however, receive any portion of

these commissions, fees and costs. HPAM's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by HPAM on the last day of the previous quarter. The annual fee varies between 65 and 150 basis points (or 0.65% and 1.50%) depending upon the amount of assets under management, the complexity of the project and scope of services to be rendered. The Firm includes cash in a client's account in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

Fee Discretion

HPAM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., certain legacy clients, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), HPAM recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for management accounts.

HPAM may only implement its investment management recommendations after the client has arranged for and furnished HPAM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by HPAM, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to HPAM's fee.

Fee Debit

HPAM's *Agreement* and the separate agreement with any *Financial Institutions* may authorize the Firm to debit the client's account for the amount of HPAM's fee and to directly remit that management fee to HPAM. Any *Financial Institutions* recommended by HPAM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to HPAM. Alternatively, instead of permitting the Firm to debit their account for management fees, clients may elect to have HPAM send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. The *Agreement* between HPAM and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. HPAM's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to HPAM's right to terminate an account. Additions may be in cash or securities provided that HPAM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to HPAM, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. HPAM may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

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

HPAM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

HPAM provides its services to high net worth families, individuals, pension and profit sharing plans as well as trusts and estates.

Minimum Account Size

As a condition for starting and maintaining a relationship, HPAM imposes a minimum portfolio size of \$1,000,000. HPAM, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention and *pro bono* activities. The Firm only accepts clients with less than the minimum portfolio size if, in the sole opinion of HPAM, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. HPAM may aggregate the portfolios of family members to meet the minimum portfolio size. Certain legacy clients may also be subject to a smaller minimum account size.

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

Investment Strategies & Methods of Analysis

The Firm offers diversified portfolio choices that serve a wide range of investor risk profiles and are aligned with a client's unique needs and circumstances. Through the Firm's data gathering process, HPAM seeks to determine each client's individual objectives, risk tolerance, time horizons and cash flow needs. In some circumstances, the Firm uses this information to develop an IPS for the client, and then creates and manages their portfolio based on that IPS. Overall, the Firm's goal is to grow an investor's capital at a rate greater than inflation. The amount of return over inflation is dependent upon the level of risk an investor is willing to assume.

To manage client portfolios, the Firm primarily allocates clients assets among ETFs, individual equities, and mutual funds. The Firm may also utilize cash, CDs, treasuries, individual debt securities and/or options in accordance with the investment objectives of the client. In addition, HPAM may recommend that clients who are "accredited investors" invest in private placement securities, when consistent with their investment objectives.

HPAM may utilize a combination of fundamental, technical and cyclical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. HPAM will analyze the financial condition, capabilities of management, earnings, new products and services as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that HPAM will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that HPAM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Risks of Loss

Mutual Funds and ETFs

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

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

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

Market Risks

The profitability of a significant portion of HPAM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that HPAM will be able to predict those price movements accurately.

Use of Private Collective Investment Vehicles

HPAM may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

HPAM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. HPAM does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

HPAM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Related Certified Public Accountant

Certain *Supervised Persons* of HPAM are Certified Public Accountants and may provide tax planning and preparation services in their capacities as Supervised Persons of the Firm, as part of the Firm's wealth management services. The Firm does not recommend its advisory clients engage its *Supervised Persons* for accounting services outside of its wealth management services.

Item 11. Code of Ethics

HPAM and persons associated with HPAM (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with HPAM’s policies and procedures.

HPAM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“*Code of Ethics*”). HPAM’s *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by HPAM or any of its associated persons. The *Code of Ethics* also requires that certain of HPAM’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When HPAM is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

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

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

Item 12. Brokerage Practices

As discussed above, in Item 5, HPAM recommends that clients utilize the brokerage and clearing services of *Fidelity*. Factors which HPAM considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* may enable the Firm to obtain many mutual funds without transaction charges and other securities at

nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other Financial Institutions.

The commissions paid by HPAM's clients to *Fidelity* comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where HPAM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. HPAM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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

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

Software and Support Provided by Financial Institutions

HPAM may receive without cost from *Fidelity* computer software and related systems support, which allow HPAM to better monitor client accounts maintained at *Fidelity*. HPAM may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit HPAM, but not its clients directly. In fulfilling its duties to its clients, HPAM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that HPAM's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, HPAM may receive the following benefits from *Fidelity*:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by HPAM (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity. Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity. Other potential benefits may include occasional business entertainment of personnel of HPAM by Fidelity personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist HPAM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to HPAM other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice

management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, HPAM endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Fidelity may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which creates a potential conflict of interest

Brokerage for Client Referrals

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

Directed Brokerage

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

Trade Aggregation

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

Commission. HPAM does not receive any additional compensation or remuneration as a result of the aggregation.

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

Item 13. Review of Accounts

Account Reviews

For those clients to whom HPAM provides investment management services, HPAM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom HPAM provides financial planning services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Principal of HPAM, Ethan S. Braid. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with HPAM and to keep HPAM informed of any changes thereto. HPAM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom HPAM provides investment advisory services will also receive a report from HPAM that may include such relevant account and/or market-related information such as an inventory of account

holdings and account performance from time to time. Clients should compare the account statements they receive from their custodian with those they receive from HPAM.

Those clients to whom HPAM provides financial planning services will receive reports from HPAM summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by HPAM.

Item 14. Client Referrals and Other Compensation

Referrals

In the event a client is introduced to HPAM by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee is paid solely from HPAM's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the client will receive a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement and any conflicts of interest. Any affiliated solicitor of HPAM is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation.

Other Economic Benefits

The Firm receives economic benefits from Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15. Custody

HPAM's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize HPAM through such *Financial Institution* to debit the client's account for the amount of HPAM's fee and to directly remit that management fee to HPAM in accordance with applicable custody rules. The *Financial Institutions* recommended by HPAM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to HPAM.

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

Item 16. Investment Discretion

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

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

Item 17. Voting Client Securities

HPAM is required to disclose if it accepts authority to vote client securities. HPAM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

HPAM is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

HighPass Asset Management LLC

a Registered Investment Adviser

999 18th Street, Suite 3000
Denver, Colorado 80202

(303) 357- 4602

www.highpassasset.com

Prepared by:



MARKETCOUNSEL[®]
The Adviser's Advisor[®]