



**Form ADV Part 2A Firm Disclosure Brochure  
(ITEM 1 – COVER PAGE)**

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**Effective March 2024**

This Disclosure Brochure provides information about the qualifications and business practices of **Perennial Advisors, LLC, also doing business as Perennial** (“Perennial,” “we,” “our” or “us”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (212) 652-3900 or e-mail [info@perennial.com](mailto:info@perennial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. In addition, registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Perennial and its advisory personnel are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). This Disclosure Brochure provides information about Perennial's business practices. The Brochure Supplement provides information about the advisory personnel of Perennial.

Since the last annual update on March 22, 2023, there have been no material changes to the ADV.

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## **ITEM 4 – ADVISORY BUSINESS**

### **A. Firm Description**

Perennial Advisors, LLC (“Perennial,” “we,” “our” or “us”) is an independent wealth advisory and investment management firm that offers its services to a broad range of Clients including high net worth individuals and families, family offices, small businesses and other organizations (each referred to herein as a “Client”).

Perennial was founded in July 2013 and maintains its office in New York City. We are a Delaware Limited Liability Company and a Registered Investment Adviser with the United States Securities and Exchange Commission. Perennial’s Chief Compliance Officer is Christopher Heintz.

Christopher Heintz and Scott Strasser are the majority owners and Managing Partners of Perennial. Scott Strasser, Christopher Heintz and Shyamli Milam are the three owners of Perennial (each, a “Partner” and collectively, the “Partners”).

### **B. Advisory Services Offered**

Perennial provides wealth advisory and investment management services for Clients. Clients may elect to receive wealth advisory services, investment management services or a combination of both.

#### *Wealth Advisory – Investment Advisory Services*

Perennial’s wealth advisory philosophy is predicated on understanding our Clients’ financial situation and providing customized advice to address their circumstances and goals. For Clients seeking investment advisory services, Perennial strives to achieve their investment objectives through an appropriate asset allocation that reflects their risk parameters. Perennial takes a customized approach to advising Clients, using an iterative, analytical process to design practical investment plans and specific strategies to support Clients’ goals and investment objectives.

#### *Wealth Advisory – Financial Advisory Services*

Perennial provides a variety of financial advisory services, including financial planning (education, retirement and estate), investment-related tax minimization strategies (income deferral, charitable planning and gain/loss harvesting) and coordination with Clients’ tax, accounting and legal advisors as needed. Typically, these services encompass one or more areas of need. Depending on a particular Client’s financial situation, Perennial will usually include general recommendations for a course of action to be considered and/or taken by the Client.

Financial planning recommendations may pose a potential conflict between our interests and the interests of the Client. Clients are not obligated to implement any recommendations made by Perennial or maintain an ongoing relationship with us.

#### *Investment Management – Portfolio Management Services*

Portfolio management services are primarily provided on a discretionary basis but may also be provided on a non-discretionary basis. For Clients who grant Perennial discretionary investment authority, Perennial will determine which securities are bought and sold in a Client’s account using general guidelines set up at the inception of our relationship with the Client. These general guidelines include, but are not limited to, the relative proportions of cash, fixed income and equity securities; the degree of risk that the Client wishes to assume; and the types and amounts of securities that constitute an investment portfolio. Individual, separately managed Client accounts may have different asset allocations, different securities and/or different amounts of specific securities to reflect Clients’ specific objectives and risk parameters. Clients may impose restrictions on Perennial’s investment discretion with respect to certain securities, asset classes or industry sectors; however, this may affect their investment results.

For Clients who request that Perennial provide portfolio management services on a non-discretionary basis, Perennial will obtain the Client’s consent before executing any trade on the Client’s behalf.

### *Investment Management - Alternative Investment Services*

Perennial offers investment advice to some Clients with respect to partnerships and other private entities engaging in investment strategies including, but not limited to, private equity, venture capital, real estate, structured credit and specialized segments of publicly traded securities markets.

### **C. Wrap Fee Programs**

Perennial does not manage or place Client assets into a wrap fee program.

### **D. Assets Under Management**

As of December 31, 2023, total assets under management were \$ 591,716,089 comprised of \$ 586,479,466 managed on a discretionary basis and \$ 5,236,623 managed on a non-discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

### **A. Fees for Advisory Services**

Perennial provides wealth advisory and investment management services to Clients. Clients may elect to receive either wealth advisory services, investment management services or both. Regardless of whether the Client elects to receive either or both services, the Client is typically charged one fee (the “Advisory Fee”), which is based on a percentage of assets under advisement and/or management. In some circumstances, however, where a Client requires significant or complex wealth advisory services, Perennial may charge an additional fixed fee (“Supplemental Services Fee”) depending on the scope and complexity of the work required. Perennial may also require a minimum annual fee from certain clients if assets under management do not meet some minimum threshold as determined by Perennial.

Perennial’s standard annual Advisory Fee is typically 1.0% and may vary depending on the nature, circumstances and assets under management of each Client relationship.

Minimum account sizes, fees and fee structure and other conditions may be waived or modified in the future, and have been waived or modified in the past, at our discretion.

### **B. Fee Billing**

With the exception of Supplemental Services Fees, Clients are generally billed quarterly in arrears unless otherwise stipulated in writing. Clients generally instruct their custodian to debit fees directly from their account. This authorization is provided in the Investment Advisory Agreement between Perennial and its’ Clients. In certain circumstances, Clients also may choose to pay fees directly, in which case we send the Client an invoice similar to the notices described above. Supplemental Services Fees for wealth advisory services are invoiced to the Client by Perennial and due upon completion of the agreed upon scope of work and/or receipt of the agreed upon deliverables to the Client.

### **C. Other Fees and Expenses**

Clients may incur trading fees, brokerage commissions and other related costs and expenses of securities transactions executed for their account(s) in addition to fees paid directly to Perennial for wealth advisory and/or investment management services. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Client does, however, have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Perennial that which we are not compensated for.

In addition, mutual funds and exchange-traded funds (ETFs) charge fees and expenses to their shareholders. These fees and expenses are described in each fund’s prospectus and are separate and distinct from any fees paid to Perennial.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance-based fees—that is, fees based on a share of capital gains or capital appreciation of

assets (such as a client that is a hedge fund or other pooled investment vehicle)—for our wealth advisory or investment management services. We also do not participate in side-by-side management, where an advisor manages accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or fixed fee or an asset-based fee.

## **ITEM 7 – TYPES OF CLIENTS**

Perennial's Clients include non-high net worth individuals, high net worth individuals and families, family offices, trusts and estates, small businesses and other organizations.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis**

#### *Wealth Advisory*

Perennial's wealth advisory philosophy is predicated on understanding our Clients' financial needs and providing advice to address their circumstances and goals. Perennial takes a customized approach to advising Clients and emphasizes a set of guidelines that we believe are important for achieving favorable long-term results:

- *Customized approach* – investment programs that are specific to a Client's objectives and risk tolerance.
- *Pragmatic diversification* – straightforward plan development with clearly defined strategies.
- *Consistency* – long-term investment orientation that consistently follows an agreed upon plan.
- *Deliberate rebalancing* – rebalancing when allocation targets move materially outside of acceptable ranges (taking into consideration tax consequences).
- *Minimized fees and taxes* – we seek to utilize strategies that minimize fees and facilitate the potential for a more tax-efficient investment experience.

#### *Investment Management*

Perennial provides ongoing advice and supervision over Client accounts with respect to both equity and fixed income securities. These activities are primarily based on fundamental research and analysis of general business, economic and market conditions.

Perennial often purchases individual stocks on behalf of Clients as direct equity investments enable us to: (1) have a clear view of the companies and underlying assets our Clients own, (2) reduce third party intermediation and (3) facilitate our goal of implementing a customized, cost-effective, tax-efficient investment approach. However, Perennial also invests in ETFs and mutual funds as appropriate in an attempt to meet the Client's investment goals.

Perennial utilizes a variety of fixed income securities to mitigate risk, to help protect Clients' cash reserves, to provide portfolio diversification, and for some Clients, to generate current income.

Perennial employs the same approach to the selection of fixed income mutual funds and unaffiliated investment managers as we do with equity-oriented funds and managers.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value due to market conditions, interest rates and numerous other factors. Asset classes may increase or decrease in value at different times or all move together. Clients should be prepared to bear the potential risk of loss. Perennial will assist Clients in determining an appropriate strategy based on their investment objectives, tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's financial goals and situation, time horizon, investment objectives, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account.

Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. Perennial shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform us of any changes in financial condition, goals or other factors that may affect this analysis. We will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that Clients should understand and be willing to bear. Clients are reminded to discuss these risks with us as well as their legal, tax and other professional advisers.

Perennial may use margin in Client accounts to manage the timing of purchases and sales, as appropriate. Perennial may employ options strategies to hedge or gain additional exposure to a particular asset class or sector. For some Clients, Perennial's investment strategy may include alternative investments.

#### *Options Contracts*

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### *Margin Borrowing*

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

#### *Short Sales*

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

#### *Alternative Investments*

The performance of alternative investments (such as limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Clients should only have a portion of their assets in these investments and should carefully review with their advisors the offering materials and/or form ADV prepared by the investment manager for such investments for important additional information regarding risks, fees and expenses.

#### *Cybersecurity*

Perennial's technology systems, and those of our critical third parties such as custodians, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, floods, tornadoes, hurricanes and earthquakes. Although we have implemented various measures, including cybersecurity insurance to manage risks relating to these types of events, if our systems are compromised, become inoperable or cease to function properly, the firm may need to allocate a substantial amount of time and/or resources to fix or replace them. The failure of these systems and/or of a disaster recovery plan for any reason could cause a significant interruption in the operations of the Firm and its clients and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm a person's reputation and subject the firm to legal claims, regulatory

finds and impair business and financial performance.

## **ITEM 9 – DISCIPLINARY INFORMATION**

There are no legal, regulatory or disciplinary events involving Perennial or any of its employees that are material to your evaluation of our advisory business or the integrity of our management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The sole business of Perennial is to provide wealth advisory and investment management services to Clients as described under Item 4 – Advisory Services. Perennial's Partners are not involved in any other material business endeavors. Perennial does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of Client accounts.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Perennial has adopted a Code of Ethics ("Code") that sets forth guidelines regarding the conduct of the Firm and its employees in correlation with SEC rule 204A-1. The Code, among other things, contains policies and procedures that address actual and potential conflicts of interest that exist. The Code of Ethics includes provisions relating to a range of topics that include general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, and gifts and entertainment. A copy of Perennial's Code of Ethics is available to Clients and prospective clients upon request.

## **ITEM 12 – BROKERAGE PRACTICES**

### **A. Recommendation of Custodians**

#### *Broker/Custodian Selection*

Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, we may use our discretion recommending the custodian or broker-dealer. The Client is not obligated to effect transactions through any custodian or broker-dealer recommended by us. Perennial considers a range of factors in recommending a broker-dealer/custodian to Clients including financial strength, reputation and stability, pricing, research and quality of service.

While we do not require our Clients to establish brokerage accounts with Charles Schwab & Co. Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as their qualified custodian, we generally recommend Schwab to our Clients for purposes of establishing brokerage accounts so long as Schwab continues to meet the above criteria. We work primarily with Schwab for administrative convenience and, also because Schwab offers a good value to our Clients for the transaction costs and other costs incurred.

Client assets are usually maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Schwab will hold Client assets in a brokerage account and buy and sell securities when Perennial instructs them to on behalf of our Clients.

#### *Products and Services Available to Us from Schwab*

Schwab provides us and our Clients with access to Schwab's institutional brokerage services (trading, custody, reporting and related services). Schwab also makes available various support services, which are generally available on an unsolicited basis and at no charge to us. These services include both services that may directly benefit clients as well as services that benefit Perennial but may not directly benefit clients.

- Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets.
- Schwab provide us with investment research, both Schwab's own and that of third parties.



- In addition to investment research, Schwab also makes available software and other technology that:
  - provides access to Client account data (i.e., duplicate trade confirmations and account statements);
  - facilitates trade execution and allocates aggregated trade orders for multiple Client accounts;
  - provides pricing and other market data;
  - facilitates payment of our fees from our Clients' accounts; and
  - assists with back-office functions, recordkeeping and Client reporting.
- Schwab also offers other services and support intended to help us manage and further develop our firm. These services and support include:
  - educational conferences and events;
  - technology and business consulting;
  - publications and conferences on practice management and business succession;
  - introductions to employee benefits providers, human capital consultants and insurance providers; and
  - business entertainment (so long as such activity is not inconsistent with our Code of Ethics).

Receiving the above referenced products and services at no cost creates a conflict of interest because we have an incentive to recommend certain custodians to Clients that these services and arrangements. In order to mitigate this conflict, Perennial periodically evaluates its custodial relationship to ensure that transaction fees charged to Clients are reasonable in relation to the value of the services provided.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into consideration such factors as: (1) price, (2) order size, (3) difficulty of execution, (4) simplification, (5) confidentiality, (6) timing/expediency and (7) fairness. Perennial executes trades for clients in their individual accounts as well as through aggregate (block) orders that are subsequently allocated. Perennial, when reasonable and appropriate, aggregates orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **A. Frequency of Reviews**

Client accounts are monitored on a regular and continuous basis by one of the Partners of Perennial. Formal account reviews are generally conducted annually or more frequently depending on the needs of the Client. Our Partners are also available to meet with Clients on request.

### **B. Causes for Reviews**

Account reviews may be conducted more frequently than once per year at the Client's request. In addition, Perennial typically reviews Client accounts as a result of major changes in economic or market conditions, known changes in a Client's financial situation and/or large deposits or withdrawals in a Client's account.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Compensation Received by Perennial**

Perennial is compensated solely by its Clients and does not currently compensate employees or anyone outside the firm for any client referrals.

Perennial may refer Clients to various third-party professionals to provide certain financial services necessary to meet the goals of its Clients. Perennial does not receive any fees for these referrals.

## **ITEM 15 – CUSTODY**

Perennial does not have custody of client funds. All Clients that wish to have Perennial provide portfolio management services must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and may direct Perennial to utilize that custodian for the Client's security transactions.

## **ITEM 16 – INVESTMENT DISCRETION**

Perennial exercises investment discretion for the majority of Client accounts. When selecting securities and determining amounts, Perennial observes the investment policies, limitations and restrictions agreed upon with each Client. Certain Clients impose investment restrictions and limit Perennial's authority to trade or select brokers. These restrictions and limitations shall be set forth in each Client's respective Investment Advisory Agreement with Perennial and/or the Investment Policy Statement agreed upon between the Client and us. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority.

In circumstances where Clients do not give us discretionary authority, Perennial will obtain the Client's approval before executing any trade on the Client's behalf.

## **ITEM 17 – VOTING SECURITIES**

Perennial generally exercises the voting rights associated with the securities owned by our discretionary and non-discretionary Clients unless they request to receive proxy materials directly. This authority is provided to us in the Investment Advisory Agreement between us and our Clients. Clients who have not reserved their voting rights may direct us how to vote their shares in a particular solicitation or may obtain information about, or a copy of, our voting procedures or information on how their proxies were voted by e-mailing [compliance@perennial.com](mailto:compliance@perennial.com) or contacting us at the telephone number on the cover of this Form ADV.

As part of our voting procedures, we monitor upcoming shareholder meetings and review proxy materials from companies, and vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for our Clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value and maintain or increase the rights of shareholders. Perennial is not an 'activist' investment firm, and in most cases, we almost always invest in companies and funds where we believe the management and governance are conducive with the interests of shareholders. We will consider both sides of each proxy issue, and unless we receive specific instructions from our Clients, we do not base votes on social considerations.

Conflicts of interest between us and our Clients regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the conflict to our Clients and seek direction from them; we may abstain from voting, or we may recuse the partner or partners with the conflict from involvement in a particular vote, or delegate responsibility for voting proxies to a third party, such as a proxy voting service. We will also take other necessary steps that we determine in our reasonable judgment to ensure that our procedures for voting proxies are designed to vote in our Clients' best interest and that our voting decisions are not the product of a material conflict.

Perennial may delegate to third parties many of the voting functions described above, although we will retain final authority for voting decisions made on behalf of Clients.

Perennial also files proof of claims in connection with any litigation or other proceedings on behalf of Clients. In determining whether to file proof of claim forms, we use our reasonable discretion. Perennial delegates many of the functions required to file of proof of claims and pursue class action recoveries to a third-party class action processor that we have retained. Clients will be charged a fee by the third-party processor in the event a class action is filed on their behalf and compensation is awarded to the Client. The fee is a percentage of the total compensation

awarded to the Client and is deducted by the class action processor prior to disbursing the award to the Client. Perennial does not receive any of these fees.

#### **ITEM 18 – FINANCIAL INFORMATION**

Perennial does not require pre-payment of client fees and therefore is not required to include a balance sheet herein. Perennial has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients. Neither Perennial nor any of its advisory personnel has been the subject of a personal bankruptcy proceeding.