



**PART 2A – FIRM BROCHURE**  
**AUGUST 28, 2019**

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This brochure provides information about the qualifications and business practices of Palatine Hill Wealth Management ("Palatine Hill"). If you have any questions about the contents of this brochure, please contact us at (734) 218-0085. 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. Palatine Hill is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Palatine Hill is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for Palatine Hill is 305619.

## ITEM 2 – MATERIAL CHANGES

### **SUMMARY OF MATERIAL CHANGES**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This is our initial filing with the SEC, therefore there are no material changes to report.

Currently, a free copy of our Brochure may be requested by contacting Elizabeth Housler, Chief Compliance Officer of Palatine Hill at (734) 389-5297 or [ehousler@palatinehillwealth.com](mailto:ehousler@palatinehillwealth.com). It is also available on our web site [www.palatinehillwealth.com](http://www.palatinehillwealth.com).

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Palatine Hill Wealth Management (“Palatine Hill” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Ann Arbor, MI. We specialize in investment advisory services for individuals, high net worth individuals, foundations, employee sponsored retirement plans, charitable organizations, trusts, and corporations. Our Firm became a registered investment adviser in September 2019 and is owned by James Housler, Charles Dabrowski, Jeff Cheek, Daniel Weber with Palatine Hill Investment Company, LLC, and Thomas Lozser Revocable Trust. Elizabeth Housler is the Chief Compliance Officer.

We are committed to helping clients build, manage and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Palatine Hill execute an Investment Management Agreement.

### INVESTMENT AND WEALTH MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day to day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We may accept accounts with certain restrictions, if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), no-load or load-waived mutual funds, or alternative investments in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

If a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

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## **FINANCIAL PLANNING**

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death

A written evaluation of each client's initial situation or Financial Plan is provided to the client. An annual review will be provided by the Advisor, if indicated by the Client and Advisor per the Agreement. More frequent reviews occur, but are not necessarily communicated to the client unless immediate changes are recommended.

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## **RETIREMENT PLAN CONSULTING SERVICES**

Retirement Plan Consulting Services consist of acting as a service provider liaison, providing participant enrollment meetings, and assisting with participant education. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts and organizations. Pension Consulting Services are comprised of four distinct services listed below. Clients may choose to use any or all of these services.

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**INVESTMENT POLICY STATEMENT PREPARATION (“IPS”)**

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our Firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

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**SELECTION OF INVESTMENT VEHICLES**

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

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**PARTICIPANT ENROLLMENT**

We will assist Plan Sponsor in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, we will provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of preretirement withdrawals on retirement income, the terms of the Plan, and the operation of the Plan.

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**PLAN EDUCATION**

We will assist participant education, which may include preparation of education materials and/or conducting investment education seminars and meeting for Plan Participants. Such meetings may be on a group and/or individual basis. Such meetings shall not include specific investment advice about investment options under the Plan as being appropriate for a particular participant, but may include the use of education investment models.

Plan participants have the ability to exercise control over the assets in their account, and we have no authority or discretion to direct the investment of assets of any participant's account under the Retirement Plan Consulting services offered by our Firm.

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**SUB ADVISOR/THIRD PARTY MONEY MANAGERS (“TPMM”)**

Occasionally our Firm utilizes the services of a TPMM for the management of client accounts. Investment advice and trading of securities will only be offered by or through the chosen TPMM. Our Firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring clients, our Firm will provide initial due diligence on TPMM and ongoing reviews of their management of client accounts. In order to assist in the selection of a TPMM, our Firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our Firm will periodically review third party money manager reports provided to the client at least annually. Our Firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to TPMM as warranted; and, assist the client in understanding and evaluating the services provided by the TPMM. Clients will be expected to notify our Firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Our Firm takes actions on behalf of the client to hire or fire money managers used in the implementation of a client's investment plan and execution of the Advisory Agreement with our Firm. Therefore, the Firm has the discretionary authority to hire or fire the manager or to allocate assets among managers without obtaining the Client's consent.

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#### **WRAP FEE PROGRAM**

Under our wrap program, you will receive investment advisory services and the execution of securities brokerage transactions for a single specified fee. Our Firm receives this wrap fee for the services rendered. The terms and conditions on a wrap program engagement are more fully discussed in our Wrap Fee Program Brochure. We adhere to our fiduciary duty when trading in your accounts. Trades are made only on the basis of the account's stated investment objectives, and without concern to the Firm's trading costs and Firm's expenses that trading the accounts will create. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed trades. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

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#### **ASSETS**

As of September 30, 2019, we do not have any assets under management as this is a newly-formed entity.

### **ITEM 5 - FEES AND COMPENSATION**

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#### **INVESTMENT MANAGEMENT FEES AND COMPENSATION**

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro rata basis. Fees are billed quarterly in advance based on the average daily balance of the account(s) during the previous quarter. Fees may be adjusted for deposits and withdrawals during the previous quarter. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin account balances are not included in the fee billing.

Our maximum investment advisory fee is 1.00%, or we may negotiate a lower advisory fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "house-holding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic

and relationship. When applicable, and noted in Appendix A of the Investment Management Agreement, legacy positions will also be excluded from the fee calculation.

The independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees.

Either Palatine Hill or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to your account.

Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Palatine Hill will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

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#### **FINANCIAL PLANNING FEES**

Our financial planning services are included in the investment management fee discussed above, unless otherwise discussed and documented.

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#### **RETIREMENT PLAN CONSULTING SERVICES**

We charge 0.50% for pension consulting services as disclosed in the Employer Sponsored Retirement Plans Consulting Agreement ("Plan Consulting Agreement"). The compensation method is explained and agreed upon in advance before any services are rendered.

Plan advisory services begin with the effective date of the Plan Consulting Agreement, which is the date you sign the Plan Consulting Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter, as indicated on the Appendix of the Plan Consulting Agreement. Invoices are sent out each quarter to either the client or the custodian of the Plan. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Plan Consulting Agreement.

Either party may terminate the Plan Consulting Agreement at any time upon immediate notice. You are responsible to pay for services rendered until the termination of the agreement.

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#### **SUB-ADVISOR/THIRD PARTY MONEY MANAGER ("TPMM") FEES AND SERVICES**

If deemed appropriate by the Firm, Palatine Hill may recommend an independent TPMM to act as a sub-adviser within a client's portfolio. In those circumstances, the Sub-Advisor/TPMM manages the assets based upon the parameters provided by our Firm.

The TPMM recommended for the portfolio may have higher or lower fees than other programs available through Palatine Hill or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. TPMM fees and services will be



indicated on your Investment Advisory Agreement. The TPMM fee is in addition to the investment advisory fee charged by Palatine Hill. The combined advisory fee billed by Palatine Hill and the TPMM fee are not to exceed 2.00%.

The services provided by the TPMM include:

- Assessment of the client's investment needs and objectives.
- Implementation of an asset allocation.
- Delivery of suitable style allocations (e.g., Large Cap, Small Cap, Growth, Value, etc.)
- Facilitation of portfolio transactions.
- Ongoing monitoring of investment vehicles performance.
- Review of client accounts for adherence to policy guidelines and asset allocation.
- Recommendations for account re-balancing, if and when necessary.
- Reporting of client portfolio performance and progress.
- Engaging selected investment vehicles on behalf of the client

Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

A TPMM relationship may be terminated at the IAR's discretion. Palatine Hill may at any time terminate the relationship with a TPMM that manages your assets. Palatine Hill will notify you of instances where we have terminated a relationship with any TPMM you are investing with. Palatine Hill will not conduct on-going supervisory reviews of the TPMM following such termination.

Factors involved in the termination of a TPMM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPMM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPMM on our list of approved TPMMs.

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#### **ADMINISTRATIVE SERVICES PROVIDED BY BLACK DIAMOND**

We have contracted with Black Diamond to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation, client relationship maintenance, quarterly performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to our clients or bill the accounts. Palatine Hill and Black Diamond are non-affiliated companies. Black Diamond charges our Firm an annual fee for each account administered by its software. Please note that the fee charged to the client will not increase due to the annual fee Palatine Hill pays to Black Diamond. The annual fee is paid from the portion of the management fee retained by Palatine Hill.

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#### **ADDITIONAL FEES AND EXPENSES:**

In addition to the advisory fees paid to our Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges may include custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as 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. Palatine Hill's brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale

of securities or other investment products. Further, our Firm does not share in any of these additional fees and expenses outlined above.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees), nor engage side by side management.

## ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net worth individuals, employee sponsored retirement plans, institutions, charitable organizations, trusts, foundations, endowments family offices and estates. We do not require a minimum dollar amount to open and maintain an advisory account.

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

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Asset classes, market capitalizations, and investment styles are cyclical – coming into and going out of favor without informing market participants when, to what degree, or for how long they intend on remaining dislocated from their long-term averages. Therefore, we do not try to time when to enter and exit the market – as time in the market is more important than timing it – nor do we portend to have some divine knowledge about the short-term direction of markets – markets that are completely out of our control. Instead of diverting our attention to the items that we are unable to influence, we focus all of our energy on the areas of a client portfolio we do have control over – (1) purpose driven investing through aligning the underlying investment strategy to the needs of the client assets, (2) thorough and exhaustive investment research to potentially maximize long-term wealth accumulation through portfolio positioning, (3) consistent and unwavering diversification within the portfolio in an attempt to ensure against the risk of total loss, and (4) disciplined rebalancing of client assets allowing for an objective reallocation of capital and risk. These four tenants do not guarantee the road won't be bumpy at times; however, they do provide the necessary guardrails to ensure our clients stay on the road to meeting their long-term goals.

Palatine Hill's fundamental job is to meet a variety of client financial goals by selecting and actively managing choices of investments against changing market conditions and opportunities as appropriate to accomplish clients' needs for income, wealth accumulation and/or capital preservation.

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **FUNDAMENTAL ANALYSIS:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company) to determine if the security is underpriced (indicating that it may be a good time to buy) or overpriced (indicating that it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential

risk because the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

- **ASSET ALLOCATION:** In addition to focusing on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Periodically we may encounter economic conditions that warrant temporary adjustments to the asset allocation of an investment strategy or portfolio. If we believe that these conditions present either an increase in risk or opportunity for that particular asset class we may alter the appropriate allocation to reflect this conviction.

- **MUTUAL FUND AND/OR ETF ANALYSIS:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security thereby increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF which could make the holding(s) less suitable for the client's portfolio.

- **TECHNICAL ANALYSIS:** Trends in price and trading volume can provide important clues on the demand for a particular stock. Deciding whether and when to buy or sell a stock or stocks in general (the overall market) is an important part of the investment process, particularly as it applies to managing risk. As an aid in making decisions, we look at the basic technical patterns and signals recognized by the industry as providing meaningful input. The key consideration is a trend: its strength, length, exhaustion and reversal. These situations can result in buying and selling opportunities.
- **RISKS FOR ALL FORMS OF ANALYSIS:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.
- **USE OF ALTERNATIVE INVESTMENTS:** If deemed appropriate for your portfolio, our Firm may recommend investments classified as "alternative investments". Alternative investments may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, limited partnerships, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment. The maximum and minimum portion of any client's portfolio that is invested at any one time is predicated on their

overall risk tolerance and financial goals. Within that range, we will use cash as a cushion against market volatility. To make these decisions, we employ a combination of technical indicators provided by outside services, research from academia, and our own Palatine Hill computer models developed and tested over past periods.

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## **RISK OF LOSS**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

- **MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **SECURITIES LENDING RISK** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

- **PERFORMANCE OF UNDERLYING MANAGERS** - We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **NON-LIQUID ALTERNATIVE INVESTMENTS** - From time to time, our Firm will recommend to certain qualifying clients that a portion of such clients' assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, "Nonliquid Alternative Investments"). Nonliquid Alternative Investments are not suitable for all of our Firm's clients and are offered only to those qualifying clients for whom our Firm believes such an investment is suitable and in line with their overall investment strategy. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or "qualified client" under the Investment Advisers Act of 1940, or "qualified purchaser" under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for our Firm's clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all of its assets in real estate properties, there are additional risks that are unique to real estate investing, including but not limited to: limitations of the appraisal value; the borrower's financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

## ITEM 9 - DISCIPLINARY INFORMATION

We do not have any legal, financial or other "disciplinary" item to report.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### SUB ADVISOR/TPMM ("TPMM") RELATIONSHIPS

Please refer to Item 4 and Item 5 above for more information about the selection of Sub-Advisor/TPMM's used with our services. Depending on our Agreement with the Sub-Advisor/TPMM, our Firm pays a portion of the advisory fee to the Sub-Advisor/TPMM. A conflict of interest for our firm in utilizing a sub advisor is receipt of discounts or services not available to us from other similar sub advisers. In order to minimize this conflict our firm will make our recommendations and selections of Sub-Advisor/TPMMs in the best interest of our clients.

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## INSURANCE

Aventine Hill, LLC, an affiliated licensed insurance agency, is under common ownership with our Firm. Because of the common ownership with Aventine Hill, LLC there is a conflict of interest to clients because our firm indirectly receives compensation (commissions, trails, or other compensation from the respective insurance products) as a result of effecting insurance transactions for any mutual clients of Aventine Hill, LLC and Palatine Hill.

Commissions generated by insurance sales do not offset regular advisory fees. Our firm has an incentive to recommend insurance products and this incentive creates a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our affiliated Insurance agency. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

## ITEM 11 - CODE OF ETHICS

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Palatine Hill, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

- A director, officer, or employee of Palatine Hill shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of Palatine Hill shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Palatine Hill.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

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### INVESTMENT POLICY

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: Elizabeth Housler, Chief Compliance Officer.

## ITEM 12 - BROKERAGE PRACTICES

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives

some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

Some of the products, services, and other benefits provided by TDA benefit Palatine Hill and may not benefit our client accounts. Our recommendation or requirement that you place assets in TDA's custody may be based in part on benefits TDA provides to us, or our agreement to maintain certain Assets Under Management at TDA, and not solely on the nature, cost, or quality of custody and execution services provided by TDA.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. TDA's execution quality may be different than other broker-dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

- Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed



- We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated
- No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction
- We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account
- We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory client

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#### **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

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#### **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro rata basis. If we determine that a pro rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash
- With respect to sale allocations, allocations may be given to accounts low in cash
- We may allocate shares to the account with the smallest order, or to 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
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block

- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed
- If a pro rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation
- We will document the reasons for any deviation from a pro rata allocation.

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#### **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

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#### **DIRECTED BROKERAGE**

We do not routinely recommend, request, or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

### **ITEM 13 - REVIEW OF ACCOUNTS**

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#### **ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES**

Our Investment Adviser Representatives will monitor client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

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#### **STATEMENTS AND REPORTS**

The custodian for the individual client's account will provide clients with an account statement at least quarterly. Upon request, clients can receive Palatine Hill prepared written report detailing their current positions, asset allocation, and year-to-date performance. You are urged to compare the reports and invoices provided by our Firm against the account statements you receive directly from your account custodian.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from TDA in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under - Item 12 Brokerage Practices. The availability to us of TDA's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We may pay referral fees to independent solicitors for the referral of their clients to our Firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our Firm will be given full written disclosure describing the terms and fee arrangements between our Firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our Firm. The solicitor will not provide clients any investment advice on behalf of Palatine Hill.

Our Firm does not accept fees for client referrals. Further, we do not have any compensation arrangements other than what is disclosed in this Brochure.

## ITEM 15 – CUSTODY

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

### DEDUCTION OF ADVISORY FEES

For all accounts, our Firm has the authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Palatine Hill. When you have questions about your account statements, you should contact Palatine Hill or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of advisor fees.

### STANDING LETTERS OF AUTHORIZATION ("SLOA")

Our Firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should

carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

#### **ITEM 16 – INVESTMENT DISCRETION**

For discretionary accounts, prior to engaging Palatine Hill to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Palatine Hill, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by Palatine Hill for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall in writing as indicated on the investment advisory Agreement, Appendix B. You may change/amend these limitations as required.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

#### **ITEM 17 – VOTING YOUR SECURITIES**

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at (734) 218-0085.

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

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.