

## Form ADV Part 2A: Item 1 – Cover Page



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*This Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of Altair Management Partners, Inc. ("AMP," "we" or "us"). If you have any questions about the contents of this Brochure, please contact us at 724-935-2720. This Brochure will be filed with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Act"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.*

*Additional information about AMP is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Although we are a registered investment adviser with the SEC, our registration does not imply any level of skill or training. The information and disclosures we provide to you, including the disclosures in this Brochure, is information that you may use as part of your decision to initially hire us or to continue to maintain our existing investment advisory relationship.*

## Item 2 – Material Changes

Filing Date: March 2015

In this Item 2, we are required to identify and discuss all material changes since our last annual update of our Brochure. We will deliver to you annually a written summary of all material changes, if any, that have occurred since the date of the last Brochure, together with an offer to provide a copy of the updated Brochure, and information on how you may obtain the updated Brochure (either by e-mail or in hard copy form by mail).

Our last annual updating amendment was filed in March 2014. Since that time, the following changes have been made to our Brochure:

- In July 2014 we updated our Form ADV to include Altair Hedged Equity Partners LP and Altair Partners II LP as relying advisors and are together filing a single Form ADV.
- Item 4 in this Brochure provides a more concise description of our advisory services.
- Item 6 reflects the performance allocation fees the general partners of our private funds receive.
- Item 7 now includes our private funds as clients to whom we provide advisory services.
- Item 10 identifies the fact that David Kamin, one of our portfolio managers, is also the Managing Member of another registered investment adviser, Kamin Capital, LLC.
- Item 17 identifies our proxy responsibilities with respect to the private funds.

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## **Item 4 – Advisory Business**

### ***Description of the Firm and its Principals***

Altair Management Partners, Inc. (“AMP”) is a Pennsylvania corporation established in 1992 by Larry Letterio, President and majority owner. AMP is an investment advisory firm that is dedicated solely to the stewardship of wealth for individuals, pension plans, Taft/Hartley funds, trust companies, endowments, foundations, and family offices. By combining ethics, service and experience with a mix of proprietary and independent solutions, we work to deliver consistency while guiding each portfolio toward its unique goal.

### ***Description of Advisory Services***

AMP may advise clients on asset allocation or portfolio management issues. This activity can be the use of in-house programs or external investment management firms to accomplish the clients’ goals. AMP performs investment management functions for some clients in discretionary accounts upon the client signing a specified advisory agreement for that program.

AMP provides a discretionary program (“Program” or “Managed Account”) which utilizes exchange-traded funds (“ETFs”), closed-end and open-end mutual funds: Altair Total Return. Altair Total Return is designed as an enhanced fixed income alternative with downside hedging. Long positions include funds and ETF’s investing in mortgage-backed securities, government and corporate bonds, dividend paying common and preferred stocks, and master limited partnerships.

### ***Alternative Investments:***

AMP is the investment manager of Altair Hedged Equity Partners, L.P and Altair Partners II, LP (the “Private Funds”). Both private funds are Delaware limited partnerships. Altair Management Partners, LP, an affiliate of AMP, is the general partner of Altair Hedged Equity Partners, LP. AMP/KCB Partners LP, another affiliate of AMP, is the general partner of Altair Partners II, LP. The private funds are available to qualified investors.

As of December 31, 2014, AMP’s discretionary assets under management were approximately \$145.7 million.

## **Item 5 – Fees and Compensation**

### ***Private Funds:***

AMP receives a management fee at a rate of up to 2% per year, depending on the Sub-Class or Series the investor selects. This fee is paid quarterly in advance in accordance with the terms outlined in the applicable private placement memorandum. Management fees are calculated by the administrator, approved by AMP and deducted from each investor’s capital account.

### ***Managed Account Fees (Program Fees):***

The clients are charged a fee based on the value of the account plus transactions charged at cost. The maximum fees charged for the program is as follows:

\$100,000 to \$250,000	1.4% of AUM
\$250,000 to \$499,999	1.2% of AUM
\$500,000 to \$999,999	1.0% of AUM
Over \$1,000,000	Negotiable

The fees for the Program are subject to negotiation. Such fees may differ based on a number of factors including, but not limited to, the size of the account, types of security positions held, trading frequency, and the range and frequency of supplemental services provided. Fees for most third-party managers are comprehensive and cover the managers' fees, trading costs, custodial charges and quarterly reports to clients. Certain third-party managers and AMP's proprietary discretionary accounts charge fees that exclude clearing and execution costs; these costs are equal to the greater of \$8.00 per trade or 2 cents per share. The pricing structure was designed to reduce the client's overall costs when investing in low turnover discretionary accounts by instituting a pay-as-you-go transaction cost rather than a fixed transaction fee that would likely exceed the per share cost in most years. In addition to the fee, the custodian may apply a postage charge to all trades. Clients who invest in mutual funds are subject to fund operating expenses in addition to their advisory fees.

You may structure your agreement with us so that you have the option to purchase investment products that we recommend through other brokers that are not affiliated with us.

AMP frequently aggregates client transactions to minimize trading errors and to lower overall transaction costs. With the exception of new assets being added to the Program, all trading is aggregated.

Clients in the Program are billed quarterly in advance; the initial fee is based on the date of the initial deposit to the account and is pro-rated to the end of the quarter. Thereafter, the quarterly fee is payable at the beginning of the quarter and is based on the market value of the account on the last day of the previous quarter. With respect to the Program, AMP is not compensated on the basis of the share or capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

Upon termination, the client receives a pro-rated refund representing the period from the date of termination to the quarter end. No refunds are made in the case of a partial withdrawal from the account.

All asset-based fees will be deducted directly from assets in your accounts with us. You will receive a statement directly from the custodian which shows all transactions, positions and credits or debits into or from your account, including the advisory fee paid to us.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

AMP's private funds charge a performance allocation fee. Altair Hedged Equity Partners, L.P.'s initial sub-class of investors are charged a 1.0% base management fee and a performance allocation of 10% of the gains in excess of the hurdle rate of 30-day T-bills reset at the rate published on December 31, subject to a "high water mark." The underlying managers' fees are most typically

structured as a 1% or 1.5% management fee and a performance allocation fee of 20% of gains subject to a hurdle rate and high water mark. The Fund's fees are negotiable for investment of \$10 million or more. Two additional sub-classes of share are available as investment options for existing investors and new investors. The two sub-classes of shares vary only in their fee structure. Class A shareholders are charged a 1.5% annual management fee and 10% of the gains in excess of the hurdle rate with a high water mark. Class B shareholders are charged an annual management fee of 2% and pay no performance allocation. Each investor is permitted to select their sub-class at the time of investment and may change annually thereafter. Existing LP holders were informed of the subclass options and were permitted to change their existing sub-class if desired.

Altair Partners II, L.P. charges an incentive allocation of 10% subject to a loss carryforward.

Because the Funds charge a performance fee, such fees may create an incentive for AMP to transfer client assets to the Funds. AMP does not invest any new or existing client assets in the Fund without obtaining the prior written consent of the client after providing all relevant disclosures required by law. The Firm has implemented policies and procedures for treating all clients fairly and equitably to avoid any potential conflicts of interest.

## Item 7 – Types of Clients

We provide our services to a number of Clients:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Pension and profit sharing plans
- Corporations or other business entities
- Pooled investment vehicles (other than investment companies)

Our minimum account size for Managed Accounts is \$250,000, subject to waiver at our discretion. Generally the minimum investment commitment in Altair Hedged Equity Partners is \$500,000. The minimum investment commitment for Altair Partners II is \$1 million. However, AMP or its affiliates' reserves the right to accept lesser amounts as long as the investor qualifies to invest based on all other suitability and regulatory requirements.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. We utilize a variety of resources and methods to conduct our analysis.

**Charting:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**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 itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a

potential risk, as 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 stock.

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Information/Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Our primary resources for obtaining information are third-party/hedge fund manager research, financial newspapers and magazines, research materials prepared by others, corporate rating services, a company's annual report and press releases, prospectuses and SEC filings.

The investment strategies used to implement any investment advice given to clients include:

**Long-term purchase:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client.

Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically we employ this sub-strategy when:

1. We believe the securities to be well valued; and/or
2. We want exposure to a particular asset class over time, regardless of the current projection for this class.

**Short-term purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Margin transactions:** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

B. All of the Programs and Funds managed by AMP are driven from a common core of research. Using the sources of research listed above, AMP forms a general, "top-down" overview of economic, political, and monetary issues. Based on this overview, AMP decides which asset classes will be used in structuring the portfolio. Once the allocation of capital to various asset classes has been determined, AMP selects the appropriate investment vehicle with which to implement the strategy. In the case of Altair Global Macro Core and Altair Income Plus, the investment vehicles will be ETF's, closed-end, or open-end mutual funds. In the case of Altair Hedged Equity Partners, the capital is allocated to specialized sub-advisors who bear the responsibility for security selection. In the case of Altair Partners II LP, the portfolio is expected to consist of U.S. and non-U.S. equity securities covering a variety of sectors and market capitalizations, fixed income securities of various types, exchange-traded funds, master limited partnerships, closed-end funds, business development companies, preferred stock, real estate investment trusts and/or other types of securities that the General Partner believes present attractive risk/reward dynamics.

***Risks:***

Use of ETFs, Open-End Mutual Funds: The ETF's traded in the Programs may lack liquidity and may trade at a material discount or premium to the underlying net asset value of the ETF. Further, the use of leveraged and inverse ETF's can result in sudden and material loss of capital. ETF's based on futures indices will often lose capital when the futures market is in contango (upward sloping forward curve). The use of open-end mutual funds presents a risk that the fund may suffer significant intra-day declines in value, while the investor may only liquidate the fund after the stock market has closed for the day.

Equity-Related Instruments in General: The General Partner may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Options: The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Debt Securities: The Partnerships may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Partnerships may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Partnerships may invest in securities which are moral obligations of issuers or subject to appropriations. The Partnerships will therefore be subject to credit and liquidity risks.

Real Estate Investment Trusts ("REITs"): Investments in REITs, other real estate related securities and fee simple assets are subject to the risks incident to the ownership and operation of real estate generally. Some of the risks associated with investments in real estate are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the cleanup of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

Master Limited Partnerships ("MLPs"): The value of the Partnerships' investment in master limited partnerships ("MLPs") depends largely on the MLPs being treated as partnerships for federal income tax purposes. If an MLP does not meet current law requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be taxed as a corporation. In that case, the MLP would be obligated to pay income tax at the entity level and distributions received by the Partnership would be taxed entirely as dividend income. As a result, there would be a material reduction in the Partnership's after tax return.

Items of income, gains, losses and deductions of each MLP flow through to the Partnership in its capacity as a partner of the MLP. Historically, a substantial portion of MLP income has been offset by tax deductions. If the amount of MLP income tax deductions that may be claimed by the Partnership is less than anticipated, the limited partners will incur greater current income taxes. A significant slowdown in acquisition activity by the MLPs in the Partnership's portfolio also could accelerate the limited partners' obligations to pay income taxes due in part to less accelerated depreciation generated by new acquisitions.

Closed-End Funds: Because closed-end funds are, by definition, portfolios of securities, the General Partner believes that the unsystematic risk associated with investments in closed-end funds is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in closed-end funds that are not related to movements of the market in general. Not limited to, but among these,

are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values.

In addition to the foregoing, it should be noted that the Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company.

**U.S. Government Securities:** The Partnerships may invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. The Partnership may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

**Derivatives:** To the extent that the Partnership invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Partnership may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Partnership, and hence the Partnership should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

#### ***Risks Specific to Altair Hedged Equity Partners***

**"Fund of Funds" Structure:** Under certain circumstances, the Partnership's "fund of funds" structure may be disadvantageous to limited partners as compared with maintaining investments directly in the Underlying Funds. For example, contributions made to the Partnership at a time when the Partnership has a loss carryforward with respect to its investment in one or more of the Underlying Funds will have the effect of diluting a portion of each existing limited partner's indirect interest in such loss carryforwards. Similarly, withdrawals made by the Partnership (in order to satisfy limited partner withdrawal requests or otherwise) from an Underlying Fund at a time when the Partnership has a loss carryforward will reduce the value of such loss carryforward.

**Multiple Managers:** AMP is responsible for the allocation of the Partnership's assets among the various Underlying Funds. Each Underlying Fund has a portfolio manager or portfolio managers who make their trading decisions independently. AMP does not have control over the

day-to-day management of the underlying investments of the Partnership, and AMP and the General Partner may not have access to information concerning the securities positions of the Underlying Funds at any given point in time. Because the Partnership may allocate its assets to multiple Underlying Funds that make their trading decisions independently, it is theoretically possible that one or more of such Underlying Funds may, at any time, take positions which may be contrary to positions taken by other Underlying Funds. It is also possible that Underlying Funds may on occasion take substantial positions in the same security or group of securities at the same time. In addition, a particular investment manager may take positions for its other clients which may be opposite to positions taken for the Partnership. The possible lack of diversification caused by these factors may subject the investments of the Partnership to more rapid change in value than would be the case if the assets of the Partnership were more widely diversified.

## **Item 9 – Disciplinary Information**

As of the date of this Brochure, no legal or disciplinary events have occurred which are material to your evaluation of our advisory business or the integrity of our management.

This statement applies to AMP and all of its management personnel.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Altair Management Partners, LP and AMP/KCB Partners LP, affiliates of AMP are the general partners of the private funds. AMP recognizes the potential conflict of interest that this affiliation presents. In order to address any potential conflicts, the firm has developed and implemented various policies and procedures, as well as a comprehensive compliance program administered by the firm's Chief Compliance Officer, to ensure that all clients are treated fairly and equally.

Altair Hedged Equity Partners, L.P. ("Fund") is a fund of hedge funds focused on preservation of capital and absolute returns. The Fund is primarily comprised of long/short hedge funds but may include cash, distressed debt, arbitrage or other tactical devices at the discretion of the General Partner. The Fund consists of between 9 and 11 sub-advisors and a group of incubator managers. The Fund attempts to minimize correlations to the US and international stock markets as well as the US bond market, maintain a low beta, and deliver a tight distribution of monthly returns. As a Limited Partnership under Regulation D, the Fund is only offered to accredited investors.

AMP periodically reviews the performance records and investment strategies of these sub-advisors and managers, and may substitute other advisors and managers when appropriate. AMP does not receive any compensation, directly or indirectly, from these other sub-advisors and managers. In addition, because the Fund charges a performance fee, such fees may create an incentive for AMP to transfer client assets to the Fund. AMP does not invest any new or existing client assets in the Fund, including those over which it has discretionary authority, without obtaining the prior written consent of the client after providing all relevant disclosures required by law.

David Kamin, a portfolio manager for AMP, is also the Managing Partner of Kamin Capital, LLC, a registered investment adviser. The Firm has a detailed Code of Ethics that includes monitoring personal securities transactions and maintains a comprehensive compliance program.

## **Item 11 – Code of Ethics; Participation or Interest in Client Transactions and Personal Trading**

A. We have developed a Code of Ethics (“Code”) for all AMP management personnel and employees. This Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you as our client. As part of our Code, no person we employ may benefit, either directly or indirectly, from transactions placed on behalf of advisory accounts. Employees may not buy or sell securities for their personal accounts where their decision is substantially derived, in whole or part, from their employment, unless the information is also available to the investing public on reasonable inquiry. At no time do we prioritize our interests over yours.

We monitor employee personal and proprietary trading activity on a quarterly basis to ensure compliance with internal policies and procedures and applicable regulatory requirements. We strive to ensure that all employees act in accordance with applicable regulations governing registered investment advisory practices as applicable to the firm. These rules are strictly enforced, and employees who violate them are subject to sanctions, including termination of employment.

A copy of our Code of Ethics will be provided upon request by contacting Brendan Kenny at (724) 935-2720.

B. AMP affiliates serve as the general partners of the Funds. Please see Items 10 for a discussion of the potential conflicts of interest presented by this arrangement and the manner in which AMP addresses these potential conflicts.

C. We may invest from time to time in the same securities that we recommend to clients. We will not recommend any such security without having first disclosed its interest in such securities to the client, including without limitation,:

- Any direct or indirect beneficial ownership interest in any securities of such issuer,
- Any contemplated transaction by us in such securities,
- Any position with such issuer or its affiliates, and
- Any present or proposed business relationship between such issuer and its affiliates and such person or any party in which such person has a significant interest.

Our Code contains extensive controls on securities transactions, including principal review of all transactions, direct confirmation of all transactions to clients and periodic review of all security accounts. The relationships between AMP and its employees and affiliates are fully disclosed in writing to each client.

D. We may recommend securities to clients, or buy and sell securities for client accounts, at or about the same time that we buy or sell the same securities for our own account (or for the accounts of our related persons). Please refer to our response to Item 11(C) above.

## Item 12 – Brokerage Practices

A. We may recommend to clients the use of Pershing Advisors Solutions, LLC (“Pershing”) for services related to the execution and clearing of trades for client brokerage accounts. Clients that utilize Pershing as their broker/dealer have the rates for transactions determined by Pershing. These rates are limited by, among other things, guidelines established by FINRA, industry standards and the firm through which Pershing clears securities.

Clients who choose to effect security transactions through Pershing pay commissions that are comparable to those obtainable from other full service broker/dealers. AMP periodically conducts surveys comparing Pershing’s commission rates to others in the industry and has found Pershing’s rates are well within the industry range. AMP regularly reviews its relationship with Pershing to insure that the best interests of the clients are being served. Fees for third party managers are comprehensive and cover the managers’ fees, trading costs, custodial charges and quarterly reports to the clients. Certain third party managers and AMP’s proprietary discretionary accounts charge fees that are not comprehensive and are independent of clearing and execution charges which amount to the greater of \$8.00 per ticket or 2 cents per share. This pricing structure was designed to reduce the client’s overall cost when investing in the low turnover discretionary programs by instituting a pay-as-you-go transaction cost rather than a fixed transaction fee that will likely exceed the per share costs in most years.

### 1. Research and Other Soft Dollar Benefits:

The term soft dollars refers to an arrangement whereby fund advisers receive research or brokerage services from broker-dealers in exchange for executing trades through that broker. Soft dollars provide lawful and appropriate assistance in the advisor’s investment decision-making process, and do not impact the obligation of fund advisers and broker-dealers to achieve best execution with respect to price, cost, speed of execution, and market impact.

AMP receives from Pershing (without cost to the firm), or from other third parties that are compensated by Pershing, various support services and/or products which assist AMP to better monitor and service client accounts or further develop its investment advisory business. These support services include investment research, pricing information and market data, software and other technology that provides access to client account data, compliance and/or financial publications, marketing support, computer hardware and/or software and other products and services used by AMP in connection with its investment advisory business. As noted above, the use of soft dollars does not impact the ability of AMP or Pershing to fulfill their respective best execution obligations.

### 2. Brokerage for Client Referrals

AMP does not receive client referrals from a broker-dealer or third party; therefore, it does not have an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals.

### 3. Directed Brokerage:

Please see the response to Item 12A.

Clients are permitted to direct brokerage or use a brokerage firm other than Pershing to execute and clear their trades. We may not be able to obtain best execution through such other brokerage firm, and you may pay higher commissions because we may not be able to aggregate all customer orders to reduce transaction costs.

B. AMP frequently aggregates client transactions to minimize trading errors and to lower overall transaction costs. With the exception of new assets being added to either Program, all trading is aggregated.

## **Item 13 – Review of Accounts**

### **A & B. WEALTH MANAGEMENT SERVICES**

Each account is reviewed at least quarterly by our three advisory personnel who have familiarity with each client's portfolio. More frequent reviews may be triggered by changes in tax laws or in a client's financial situation or investment objectives; the occurrence of significant world, economic or market events and by special client requests. These reviews are based on objectives and parameters established by the client through their individual risk tolerance survey and investment policy statement.

C. At least quarterly, Pershing will prepare and forward account statements to AMP and its clients. These statements list the portfolio transactions in your account during such period, including all contributions and withdrawals made by you, all fees and expenses charged to your account and the value of your account at the beginning and end of the period. At least annually, we will provide you a customized written report evaluating AMP's investment performance relating to your account. You should compare the annual statement with the corresponding quarterly account statements received from Pershing.

## **Item 14 – Client Referrals and Other Compensation**

AMP currently does not have arrangements in which it is paid cash by or receives some direct or indirect economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. AMP may, however, enter into such arrangements in the future.

AMP does not have arrangements in which it directly or indirectly compensates any person for client referrals.

## **Item 15 – Custody**

We do not have custody over your funds or securities in any of the Programs. You will receive account statements directly from Pershing. You should carefully review these account statements.

At least annually, we will provide a customized written report evaluating our investment performance regarding your account. You should compare the annual statement with the corresponding quarterly account statements received from Pershing.

Affiliates of AMP are the General Partners of the Private Funds. Therefore AMP is deemed to have custody of Fund assets as defined under Rule 206(4)-2 of the Advisers Act. The general partner of the Private Funds, we will provide you at least annually, within 120 days of the Fund's fiscal year end (180 days in the case of Altair Hedged Equity Partners), with audited financial statements regarding the Fund.

## **Item 16 – Investment Discretion**

All discretionary accounts administered by AMP have established broad asset allocation parameters and restrictions which have been imposed by each client in writing. The client agrees to the guidelines based on their investment objective and financial goals. AMP provides direct management over some of the client accounts where appropriate based on the client's written authorization.

In the case of the private funds, AMP has full discretionary authority over all assets pursuant to the investment management agreements in place.

## **Item 17 – Voting Client Securities**

In the case of Programs or Managed Accounts, we do not vote proxies for client's securities and do not accept authority to vote such securities at the client's direction. Proxies will be mailed to the client's address of record by the company soliciting the proxy. It is the responsibility of the client to vote the proxy, if desired.

In the case of the Altair Hedged Equity Partners L.P., the underlying sub-advisors vote all proxies in the best interest of the Fund. AMP has authority to vote proxies on behalf of the other private funds as defined in the investment management agreements. A proxy voting policy is maintained and followed to ensure proxies are voted in the best interest of the Client and address any conflicts of interests that may arise between AMP and the client. If a proxy vote creates a material conflict, it will be resolved before voting the proxy. AMP maintains records of (i) all proxy statements and materials received (ii) all proxy votes that are made on behalf of clients; (iii) all documents that were material to a proxy vote; (iv) all written requests from clients regarding voting history; and (v) all responses (written and oral) to clients' requests. Such records are available to clients upon request.

## **Item 18 – Financial Information**

Registered investment advisers are required in this item to provide certain financial information or disclosures about their financial condition. AMP has not financial commitment that impairs its

ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.