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December 21, 2015

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Highmount Capital LLC. If you have any questions about the contents of this brochure, please contact us at (646) 274-7470 or via e-mail at mvanhengel@hmcap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Highmount Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Highmount Capital LLC is 120418.

Highmount Capital LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

There are no material changes in this filing. Updates have been made to Item 10: Other Financial Industry Activities and Affiliations.

Clients can request a copy of the Form ADV Part 2A at any time without charge by sending a written request to our Chief Compliance Officer by e-mail to compliancegroup@brownadvisory.com.

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Item 4 Advisory Business

Description of Services and Fees

Highmount Capital LLC is a registered investment adviser based in New York, New York. We are organized as a limited liability company under the laws of the State of Delaware and we have been providing investment advisory services since 2002. Highmount Capital, LLC is wholly owned by Brown Advisory Management, LLC.

We provide investment management services for separately managed accounts and private investment funds and we also provide wealth management, consulting and education services.

Highmount employs a hybrid investment strategy to leverage both our own expertise and that of others. Internally, Highmount actively manages US large cap core equities, global large cap equities, as well as US and non-dollar fixed income portfolios. In addition, we may recommend and allocate assets to top-tier third party advisers (TPA) across a broad spectrum of asset classes, including, but not limited to, US and global micro, small, mid and large-cap stocks, hedge funds, and private equity, and in certain cases we will have discretion to hire and fire TPAs and/or reallocate assets amongst TPAs on a discretionary basis. Depending upon the size of each account, we access these managers through separate accounts, pooled partnerships, mutual funds, and exchange-traded funds. In providing investment management services, we may utilize recommendations based on model portfolios developed by advisers which we have engaged.

The following paragraphs describe our services. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Highmount Capital LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Investment Management Services

We provide discretionary, and in limited cases non-discretionary (advisory), investment management services where the investment advice provided varies depending upon your desires, objectives, and other preferences. Each individual investment program will be developed within the context of your total net worth, existing portfolio, investment objectives, risk tolerance and long/short term goals.

For those clients who participate in our discretionary investment management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. For non-discretionary accounts we will obtain your approval prior to executing any transactions.

Private Investment Funds

We currently serve as general partner and/or investment adviser to Highmount Olympic Fund LLC ("Olympic Fund" or the "Fund"), a private investment fund. The Olympic Fund is a fund of hedge funds. The Fund is in the process of being unwound and liquidated and is no longer accepting new investors.

Wealth Management, Consulting and Education

We provide financial advice and other services which may not be specifically related to securities. Such advice and services might include, but are not limited to, financial and tax planning recommendations, investments, trustee services and trust/estate advice. Such advice and services are rendered only secondarily to our central function of offering investment advice. Trustee services may be provided through Highmount Fiduciary LLC, a wholly-owned affiliated company.

Highmount provides Investment Advice, acting as an individual's or family's Chief Investment Officer (CIO). The firm offers nondiscretionary counseling on investments, strategic planning and asset allocation. A nondiscretionary relationship includes consultation regarding asset allocation and holdings, monitoring asset allocation with respect to the securities and partnerships on an as needed basis, and quarterly reports regarding performance of the portfolio relative to appropriate benchmarks. We also provide daily money management services (e.g. bill paying, cash flows, etc.) and offer clients the opportunity to participate in educational and training programs on topics relating to understanding investments, family governance, money management, philanthropy and estate and tax planning.

Fees and fee paying arrangements for wealth management, consulting and education services are negotiable and determined on a case-by-case basis based on the complexity and scope of services.

Types of Investments

We do not primarily recommend one type of security over another and recommend various types of securities to meet your investment objectives. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of December 31, 2014, we provide continuous management services for \$1,805,042,619 in client assets on a discretionary basis, and \$367,377,883 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Our fee for discretionary investment management services is based on a percentage of the assets we manage for you. The fee for a discretionary balanced account is set forth in the following fee schedule:

Assets Under Management	Annual Fee***
First \$10,000,000	1.00%
Next \$10,000,000	0.75%
Assets Above \$20,000,000	0.50%

Minimum Annual Fee:\$30,000.00

***Advisory fees charged by TPAs are separate and apart from our advisory fees and we include the assets managed by TPAs in calculating our advisory fee. Advisory fees that you pay to the TPA are established and payable in accordance with the brochure provided by each TPA. These fees may or may not be negotiable. You should review the recommended TPA's brochure and take into

consideration the TPA's fees along with our fees to determine the total amount of fees. Highmount Capital does not share in these advisory fees charged by TPAs. In the event you are invested in model portfolios developed by advisers which we have engaged, the annual fee stated above may be subject to a maximum additional fee of .30% at each tier.

Our annual investment management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. The foregoing represents the fee we generally charge. However, fees are negotiable and arrangements with any particular client may differ from those described above.

We may charge fees which differ from the schedule above for additional services rendered outside the scope of the management agreement, for example, liquidity and/or fixed income asset management. In all such cases, fees and fee paying arrangements are negotiated on a case-by-case basis, determined by the scope and complexity of the requested services, and will be clearly set forth in the management agreement you sign.

If the investment management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine and prorate the account values of related accounts to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the independent qualified custodian, a bank or brokerage firm, holding your funds and securities. We will deduct our advisory fee only when you have given us written authorization permitting our fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all activity for your account. You should review all statements for accuracy.

We encourage you to reconcile any statements you receive from us with the statement(s) you receive from the independent qualified custodian. If you find any inconsistent information between our statements and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure or your relationship manager.

You may terminate the investment management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses

Highmount Capital does not share in any fees charged by TPAs, mutual funds, partnerships, exchange traded funds, brokerages or any other entity.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, exchange traded funds and partnerships or separate mandates with TPAs. Where available, we generally recommend no load mutual funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by TPAs, mutual funds, partnerships, or exchange traded funds (described in each fund's prospectus or other

offering documents) to their shareholders/partners. These fees will generally include a management fee and other fund expenses.

You will also incur transaction charges, custodial fees, and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management.

Item 7 Types of Clients

We provide investment advice to high net-worth families or related parties. For separately managed accounts, we generally impose a minimum of \$3,000,000.00 to open and maintain an account. Additionally, we may charge a minimum annual fee of \$30,000.00 depending on the scope of the engagement. We may waive this requirement, in part or in whole, in our discretion, for example, if the client appears to have potential for increasing assets under management.

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

Our Methods of Analysis and Investment Strategies

Development of Investment Guidelines:

At the beginning of each advisory relationship, Highmount professionals will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information"). We will use the suitability information we gather from our meetings to develop a strategy that enables our firm to give you continuous and focused investment advice and to make investments on your behalf.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Asset Allocation** - Our investment process begins with the establishment of an Asset Allocation Policy that serves as a guideline for building our clients' portfolios. This policy is set by the Investment Policy Committee (IPC). The IPC meets weekly, or as needed, to discuss global economic and capital market conditions and derive capital market projections. The projections are based on a blend of the historical risk premium for each asset class with the forward looking forecast (Highmount's and Wall Street's consensus estimates) of GDP growth, monetary and fiscal policy, inflation, interest rates, corporate profit growth, equity valuations, and geopolitical factors. Our capital market projections incorporate a global perspective and our asset allocation process considers tax implications (where relevant), time horizon, and cash-flow analysis.

The results are several asset allocation guideline portfolios appropriate for a range of clients. Each portfolio recommendation is customized to take into account the varying levels of risk tolerance and return expectations among our clients. Portfolios are updated when there is a significant and meaningful change to an asset weighting within the different portfolios.

- Thematic Approach - Highmount employs a thematic approach to investing which seeks to identify and capitalize on emerging economic, political and social trends, which in our opinion, may have broad, significant and long-lasting implications for important sectors of the economy and financial markets. Themes apply across as well as within asset classes, and may often overlap.
- External Investment Managers (Third Party Advisers or "TPA's") - Highmount's External Management employs ongoing due diligence of managers to make decisions regarding the selection and allocation of external managers including mutual funds, hedge funds, private equity managers and managers with whom our clients have separate accounts. In selecting and monitoring external managers, our process incorporates quantitative screening and analysis combined with qualitative research and review:

1. Quantitative Screening and Analysis:

- Analyze returns and portfolio characteristics relative to peer groups and benchmarks
- Stress test investment strategies to evaluate risk factors within portfolios
- Review risk characteristics and stress test through up and down market cycles, evaluate tax efficiency and portfolio turnover
- Verify manager style and attribution analysis
- Review firm financials.

2. Qualitative Research and Review:

- Understand investment strategy and risk management controls
- Evaluate expertise and experience of investment staff and understand firm culture
- Evaluate firm dynamics including ownership structure, financial strength, and alignment of interests
- Evaluate quality and integrity of service providers

3. Criteria for terminating a manager, or suspending the addition of new funds to a manager, include:

- Significant changes in firm ownership or management, particularly changes in portfolio manager(s)
- Failure to follow investment guidelines
- Sustained deviation from stated style
- Significant deviation from composite returns for reasons not imposed by the client
- Sustained under performance vs. benchmark
- Changes in investment process

Investment Strategies

- Large-Capitalization US Equities - Our Large-Cap Core U.S. Equity strategy employs a detailed fundamental analysis of external research from major and specialty research firms, company managements, government and other data sources to understand what consensus thinking is and what expectations are embedded in security prices. It also incorporates our own internal research which involves synthesizing inputs from multiple sources to formulate our viewpoints. The strategy seeks to exploit the differences between our internally generated positions and consensus thinking, particularly as this relates to longer-term earnings growth prospects for companies.
- Fixed Income - Our Fixed Income strategies employ an ongoing analysis of conditions in the taxable and tax-exempt fixed income markets. This involves the continuous benchmarking of our judgments concerning the outlook for economic growth, inflation, and Federal Reserve policy against the consensus view to identify and capitalize on what we perceive to be excesses

in investor sentiment. We also pay careful attention to spread relationships and seek to add value through active management of relative value opportunities. Finally, we monitor technical market conditions to add value via timely trade execution.

- **Bird-in-Hand** – Our Bird-in-Hand (BIH) strategy seeks to provide an above average current return relative to traditional equity and balanced accounts via an actively managed multi-asset class strategy that also seeks to provide moderate capital appreciation potential with relatively low volatility. The primary emphasis of this strategy is on the current income component of total return. It employs a strategic asset allocation process with a secondary emphasis on tactical reallocation in response to changing market conditions. The portfolio is diversified among multiple asset classes, including U.S. and non-U.S., investment grade and non-investment grade fixed income, and other investments such as Master Limited Partnerships, Exchange Traded Funds and closed-end Mutual Funds that provide access to specialized strategies and less liquid niches.
- **Aggressive Growth** - Our Aggressive Growth strategy seeks to maximize total return primarily through capital appreciation and is able and willing to accept a high level of interim volatility and a significant risk of capital loss.
- **Growth** - Our Growth strategy seeks an above average total return with capital appreciation being a more significant objective than current income and is able and willing to accept an above average level of interim volatility and an above average risk of capital loss.
- **Growth with Income** - Our Growth with Income strategy seeks a moderate total return with an emphasis on capital appreciation with some focus on current income and is able and willing to accept an average level of interim volatility and a moderate risk of capital loss.
- **Income with Moderate Risk** - Our Income with Moderate Risk strategy seeks a total return emphasizing current income more than capital appreciation and has a below average tolerance for interim volatility and risk of capital loss.
- **Income with Capital Preservation** - Our Income with Capital Preservation strategy seeks a high level of current return and has a very low tolerance for interim volatility and risk of capital loss.

Note: Above average, average and below average in the above context compare to the risk and return characteristics of a 50/50 blend of fixed income and equity indexes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and recommended investment and/or TPA Managers, may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, U.S. custodians and broker-dealers began reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your U.S. custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities, no matter what strategy is used, involves a variety of types of risk of loss that clients should be prepared to bear. Some or all of the following apply to any investment:

- **Interest-rate Risk** : Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk** : The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk** : When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk** : Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk** : This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk** : These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk** : Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Item 9 Disciplinary Information

Highmount Capital LLC has been registered and providing investment advisory services since 2002. Neither our firm nor any of our management persons have any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

Highmount Capital's ultimate parent company is Brown Advisory Incorporated, which is the managing member of Brown Advisory Management, LLC, the Firm's direct owner. The Firm is affiliated through

common ownership or control with Brown Advisory, LLC, an SEC registered investment adviser and municipal advisor, Brown Advisory Securities LLC, an SEC registered investment adviser and broker-dealer, Brown Advisory Insurance Agency, a Maryland insurance company, Brown Advisory Ltd., a UK investment adviser and SEC registered investment adviser, Brown Investment Advisory & Trust Company, a Maryland trust company, Brown Advisory Trust Company of Delaware, LLC, a Delaware trust company and Brown Advisory Investment Solutions Group LLC, an SEC registered investment adviser specializing in alternative investments. Additional information with respect to these affiliated entities as well as other private funds and private investment vehicles can be found in the Form ADVs of our related entities.

As stated above, we serve as the investment adviser to Highmount Olympic Fund LLC (the "Fund"), which is a private pooled investment vehicle that is in the process of being unwound and is no longer available to new investors.

As referenced in the "Advisory Business," section above, our wholly-owned subsidiary, Highmount Fiduciary LLC, provides professional Fiduciary services in an independent firm setting. Highmount Fiduciary combines all the benefits of personalized trustee services with the best practices of a corporate fiduciary.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Our firm, officers and/or other Associated Persons may have made investments in our investment strategies described above and therefore may have an incentive to recommend that clients invest in these strategies over other investment strategies.

Personal Trading Practices

We have strict procedures in place designed to detect and prevent breaches of our fiduciary duties to clients and to avoid potential conflicts of interest with clients in connection with our employee's personal trading activities. Associated Persons of our firm may buy or sell, for their personal account(s) investment products identical to those recommended to clients. These situations may represent a conflict of interest. It is our policy that no person employed by the firm shall effect for himself or herself or for his or her immediate family (i.e. spouse, minor child) any transaction(s) in a security that is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of HMC's clients, unless in accordance with the following and with consent of our Chief Compliance Officer or other designated individual:

- If we are purchasing or considering to purchase any security on behalf of any client, no Associated Person may transact in that security prior to the client purchase having been completed by us, or until a decision has been made not to purchase the security on behalf of the client.
- If we are selling or considering the sale of any security on behalf of any client, no Associated Person may transact in that security prior to the sale on behalf of the client having been completed by us, or until a decision has been made not to sell the security on behalf of the client.

Item 12 Brokerage Practices

We maintain relationships with several custodians/broker-dealers. While you are free to choose any custodian, broker-dealer or other service provider, we recommend that you establish an account with a firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended custodians/broker-dealers provide quality execution services for our clients. The factors we consider in evaluating best execution include the quality of the brokerage services provided by recommended custodians/broker-dealers particularly the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended custodians/broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Benefits

Highmount Capital engages in no soft dollar transactions at this time. Certain broker-dealers used by our firm allow us access to research as an incidental benefit for utilizing their brokerage services. In addition, select broker-dealers allow us access to sponsored conferences conditioned on our firm generating a specified amount of commissions. Because such products could be considered to provide a benefit to our firm, we could be considered to have a conflict of interest in allocating client brokerage business. We could receive benefits by selecting a particular broker or dealer to execute client transactions, and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate.

"Research" products we may receive from custodians/broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise).

We determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that custodian/broker-dealer. In some cases, the commissions charged by a particular custodian/broker for a particular transaction or set of transactions may be greater than the amounts charged by another broker-dealer that did not provide research services or products.

We do not exclude a custodian/broker-dealer from receiving business simply because the custodian/broker-dealer does not provide our firm with research products and services. However, we may not be willing to pay the same commission to such custodian/broker-dealer as we would pay if the broker-dealer provided such products and services.

The products and services we receive from custodians/broker-dealers will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services.

Associated Persons of our firm may, from time to time, attend due diligence conferences offered by various vendors and/or wholesalers. These conferences may be available to Associated Persons of our firm at no cost to the firm. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by our firm is considered to create a conflict of interest as we may have an incentive to recommend investment offered by firms' products which sponsor such conferences.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In certain circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event that we do not block trade transactions, clients may receive different prices for the same securities transactions and clients may not be able to buy and sell the same quantities of securities and may be charged higher commissions or fees than if transactions were aggregated.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. In the event there is a profit resulting from any trading error, generally the profit would be allocated to the client, however certain broker-dealer/custodians may retain such profits and in those cases the profit would not be allocated to the client.

Item 13 Review of Account

The Chief Compliance Officer, Individual Partners, and or a Relationship Manager responsible for your account will monitor your accounts on an ongoing basis and will conduct formal account internal reviews yearly to ensure the advisory services provided to you are suitable and that the portfolio mix is consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events/changes in your risk/return objectives,
- Life events.

We will provide you with quarterly reports which provide details on your current holdings. You will also receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor dictates. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

In certain cases, employees of our firm who are instrumental in securing new clients for the firm may receive compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation to such employees may be equal to a percentage the advisory fee collected from you for as long as you are a client with our firm, or until such time as our agreement with the employee

expires. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to employees is contingent upon you entering into an advisory agreement with our firm. Therefore, those employees have a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15 Custody

Your independent qualified custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. In addition, Associated Persons of our firm may have bill paying authority for clients and Associated Persons and/or our affiliate, Highmount Fiduciary, LLC, may serve as trustee to certain accounts for which we provide investment advisory services. These bill paying and trustee relationships result in our Associated Persons and affiliate, and in turn, our firm, having custody over certain advisory accounts and client assets. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. The periodic reports we provide to you include a billing statement for your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

As stated above we serve as managing member to the Highmount Olympic Fund LLC ("Olympic"), a pooled investment vehicle. In our capacity as managing member, we will have access to Olympic's funds and securities, and therefore have custody over such funds and securities. We provide each investor in Olympic with audited annual financial statements. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, please contact us directly at the telephone number on the cover page of this brochure.

On December 30, 2009, the SEC published amendments to Rule 206-4(2), commonly known as the "Custody Rule." As a result of those changes and as part of our commitment to industry best practices, Highmount Capital will undergo a yearly independent Surprise Custody Examination of our client accounts. Your account may be chosen, at random, to be included in the examination sample. If so, you may be asked to provide certain information to our independent auditor.

Item 16 Investment Discretion

Before we can buy or sell securities and/or retain a TPA on your behalf, you must first sign our discretionary management agreement, and/or trading authorization forms. In signing this agreement, you grant our firm discretion over the selection and amount of securities to be purchased or sold, the broker-dealer to be used and the commission rates to be paid for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

For non-discretionary accounts, we will contact you prior to executing any transactions.

Item 17 Voting Client Securities

Proxy Voting

In the absence of specific voting guidelines from a client, we will determine how to vote proxies based on our reasonable judgment of what is in the best interests of clients, which may result in different voting results for proxies for the same issuer. We will consider only those factors that relate to the client's investment or dictated by the client's written instructions, including how the vote will economically impact and affect the value of the client's investment (keeping in mind that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the client).

In the event you wish to direct our firm on voting a particular proxy, you should contact Maarten Riley van Hengel (646) 274-7470 or via e-mail at mvanhengel@hmcap.com with your instruction.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.

Item 19 Requirements for State-Registered Investment Advisers

We are a federally registered adviser therefore this section is not applicable.

Item 20 Additional Information

Your Privacy

We view protecting your personal information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted/required by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that

information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Class Action Lawsuits

For investment management accounts, when we receive notice of a securities class action or settlement, we will take any actions as instructed by you or your attorney and in the absence of any such instructions, we shall take any actions (other than those which would be required to be performed by an attorney) which in our sole discretion is determined to be in your best interests. We may provide and/or obtain blanket/general consent to/from the client regarding such authority.