



**LONG-TERM
SOLUTIONS**

Comprehensive Wealth Management

Creating clarity from complexity.

December 1, 2014

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This brochure provides information about the qualifications and business practices of Long-Term Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 321-2950. 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 Long-Term Solutions, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Long-Term Solutions, LLC is an SEC-registered Investment Adviser. SEC registration does not imply that it has reviewed the skills or training of the Adviser.

Item 2 MATERIAL CHANGES

Update

LONG-TERM SOLUTIONS, LLC ("LTS" or the "Firm") is pleased to provide its clients and prospective clients with this Brochure, which is the Firm's Form ADV Part 2A. The Brochure contains important information about the Firm's business practices as well as a description of potential conflicts of interest relating to the Firm's advisory business that could affect a client's account.

This Brochure, dated December 1, 2014 is an update to the annual update to this Brochure dated March 7, 2014.

Material changes since the last annual update:

- The method for calculating wealth and investment management fees has been changed effective with the billing for Q1 2015, from a percentage of client assets as of the end of each calendar quarter to a percentage of the average daily balance of client assets during each calendar quarter. We believe this method will better take into account the activity in deposits and withdrawals, as well as market fluctuations occurring during each quarter and will not result in any significant increase or decrease in individual client fees.
- Types of compensation received now includes a provision for compensation by providers of 401-K plans to LTS for advisory services rendered to 401-K plans. Although LTS does not currently advise any 401K plans, some clients have inquired about the availability of such services.
- Richard L. Intrater, the President and CEO of Long-Term Solutions, LLC has been elected to the Board of Directors of Fallbrook Technologies, Inc., a private company in which the Firm's affiliate, LTS Capital Partners, has invested. Mr. Intrater was formerly an observer to the Fallbrook board. Please see Potential Conflicts of Interest in Item 10 of this Brochure for details.

Please note that this section of the Brochure discusses only material changes since the last annual update of our Brochure. For any future material changes to this and subsequent Brochures, we will provide you with a summary of material changes within 120 days of the close of our fiscal year, or more often if necessary.

More information about **LONG-TERM SOLUTIONS, LLC** and our employees who are registered as investment advisers may be found on the SEC's website:

www.adviserinfo.sec.gov

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Item 4 ADVISORY BUSINESS

LONG-TERM SOLUTIONS, LLC (“LTS”, or “the Firm”) is a boutique wealth and investment management firm providing custom-tailored, institutional-quality services to a limited number of sophisticated clients. Our mission is to provide comprehensive wealth and investment advice that is values-driven, principled and unbiased, with an emphasis on risk reduction, predictable returns and personal service.

Services offered

LTS provides wealth advisory and implementation services in a wide variety of disciplines, based on the broad and deep experience of its principals. Our services focus on the preservation, management and efficient transfer of wealth. We provide our clients with benefits including access to investments usually available only to institutional and ultra-high net worth investors, access to LTS Capital Partners proprietary pooled investment vehicles, and a private client portal to track the allocation and performance of global assets of all types.

Our investment management services extend to active and passive money managers and funds, real estate, private equity, hedge and venture funds. While risk-managed investment management constitutes the core of our suite of services, we also provide in-depth financial planning services including retirement and cash flow planning, executive compensation planning, business continuity planning, insurance needs assessment and asset protection strategies; global asset reviews and reporting services; real estate consulting and investment; tax and estate planning strategy; strategic philanthropy consulting; family office services; third-party professional referrals; and proprietary pooled investment vehicles under separate consulting agreements.

“Creating clarity from complexity” is how we describe our holistic, long-term approach to simplifying complex wealth management situations.

Investment Approach

The LTS investment team practices a highly disciplined approach to the design of goals-based investment plans. In collaboration with the client, we will review return requirements, risk tolerance, liquidity needs, time horizons and tax considerations and incorporate the resulting strategy in a custom-tailored Investment Policy Statement. Our investment approach is inherently risk-controlled, using strategic and tactical asset allocation to attempt to capture most of the upside and limit the downside in most market environments. Liquid equity and debt security positions are supplemented with private equity and other alternative asset investments to enhance performance without unnecessarily increasing risk.

Other Information

LTS is an independent Registered Investment Adviser (RIA) headquartered in San Francisco. Richard L. Intrater, its President and CEO, is the principal owner through a family trust. Mr. Intrater has a background in international finance, investment banking and wealth management, having served as

a Senior Vice President of Lehman Brothers, a founder of Sutter Street Capital Management and a Senior Managing Director and Member of the Board of Directors of Sand Hill Advisors.

LTS was founded in 2005 to manage the complex, multi-asset portfolio of a multi-generational family office together with its related entities, trusts and philanthropies. Our private equity investment arm, LTS Capital Partners, was created to enable the family to make direct investments in private, early- and mid-stage technology companies, with an emphasis on promising green technologies. LTS and LTS Capital Partners have since evolved to offer their services and investments to high net worth families and trusts, foundations, businesses and retirement plans.

LTS is not owned by, or affiliated with, any bank, broker-dealer, insurance company, or other investment manager. LTS does not accept custody of client assets, except as noted below. LTS is not a broker-dealer, custodian or trust. LTS and its employees do not accept any compensation other than fees from its clients, except in connection with 401-K plans and LTS Capital Partners, from which it receives management and performance-based fees. LTS does not receive remuneration or participate in sales charges, service fees, 12b-1 fees, or any other form of compensation from third parties in connection with the selection or recommendation of investments.

As of December 1, 2014, the Firm managed approximately \$109.08 million (\$109,078,000) of client assets for approximately 40 clients and 3 pooled investment vehicles, consisting of \$82,588,000 of discretionary assets and \$19,893,000 of non-discretionary assets and \$6,596,000 of other assets.

Additional information about our wealth management consulting services

Financial Planning

The financial planning process, or Capital Sufficiency Analysis, involves an in-depth analysis of income, expenses, and assets and liabilities, projecting multiple outcomes into the future based on parameters defined by the client. It tests investment outcomes in terms of asset and cash flow growth and gauges the likelihood of achieving stated goals and overall capital sufficiency for those goals. The resulting analysis provides a basis for a comprehensive wealth management plan addressing investments, taxes, estate planning, risk management and asset protection, insurance needs, retirement scenarios, philanthropy, wealth transfer, succession and the transition or liquidation of family enterprises.

Global Asset Review and Consolidated Reporting

It is a common scenario for affluent clients to have a wide variety of assets, often held in multiple accounts with multiple custodians and managers, with no consolidated balance sheets or performance reporting. By conducting a global review of all assets, their associated liabilities and cash flows, we can help make sense of the overall allocation, risk profile and expected performance of complex asset holdings, with recommendations for rationalization, simplification, and performance and tax efficiency improvement. Using the LTS online portal, clients can maintain an on-demand overview of all assets, their value and their performance.

Real Estate Consulting Services

Richard Intrater, our Chief Executive Officer, and George Brewster, our Chief Operating Officer, have extensive experience in direct private real estate investment and development, which allows LTS to provide fee-based advisory and implementation services for the analysis, acquisition, financing, management, development and disposition of residential and commercial real estate assets and portfolios, including primary and secondary residences, apartments, office and retail complexes, specialty real estate and land development. LTS also provides real estate consulting services on an ongoing or as-needed basis for clients who have, or intend to acquire or dispose of, significant real estate investment portfolios. Collectively, Rick and George have been involved in over \$3 billion of commercial real estate transactions including portfolio acquisitions and dispositions, equity and debt financing, development, and asset management for office, multi-family, retail, and specialty assets. George holds the professional designation of Counselor of Real Estate (CRE).

Tax & Estate Strategy Advisory Services

The principals of LTS have extensive experience working with multi-generational families with complex tax, estate and succession issues, working directly with legal and accounting advisors. These services are available on an hourly or flat fee basis.

Strategic Philanthropy Services

Philanthropic activity can be an important family goal in itself, as well as a central part of a comprehensive estate plan. Moving assets out of a taxable estate reduces estate taxes as well as providing an asset base which can be used to promote core beliefs and transfer wealth with optimal tax efficiency. A strategic approach to philanthropy can include the creation of a donor-advised fund, a family foundation, or charitable trusts coordinated with the estate plan. LTS makes its experience with the creation and management of philanthropic plans, the management of family foundations, and grant-making expertise available to its clients on an hourly or flat fee basis.

Family Office Services

Clients may retain LTS to render a range of custom-tailored family office services on an ongoing or periodic basis. Such services may include family foundation oversight, trusteeship services, family continuity/education, wealth transfer planning and transition consulting for family businesses, risk assessment and management, integrated personal budgeting and cash flow forecasting, general ledger accounting, preparation of financial statements, and bill paying.

Third Party Professional Referrals

As a service to our clients, LTS may recommend the services of one or more of several proven professionals within our network for certain non-investment services including attorneys, accountants, insurance agents, and philanthropic consultants. A client is under no obligation to engage the services of any such professional, and neither the Firm nor its personnel will receive any fees or other economic benefit in connection with such referrals. Neither LTS, nor any of its employees, serves the Firm's clients in the capacity of accountant, attorney, insurance agent, or real estate agent, and no portion of the Firm's services should be considered as tax or legal advice.

Pooled Private Investment Vehicles

LTS is the manager and advisor for LTS Capital partners I, LP, LTS Capital Partners II, LLC and LTS Capital Partners—Fallbrook VI, LLC (collectively, LTS Capital Partners), which provide clients access to targeted direct private equity and debt investments in early stage technology companies.

In addition to the opportunity to participate in our proprietary investment vehicles, the Firm provides clients with unbiased investment advice on, and access to, private alternative investments including private equity, debt, hedge and venture capital funds. These private investments may be recommended by the Firm or be private investments the client already owns or is considering owning. Clients may elect whether to place such funds under supervision with the Firm or hold them outside the Firm, with or without consolidated reporting through the LTS client portal.

Item 5 FEES AND COMPENSATION

Investment Management Fees

LTS bases its wealth and investment management fee on assets under management or advisement. Normally our fee starts at 100 basis points (1.0%) of assets per annum and is tiered so that the fee decreases at specified breakpoints. Portfolios consisting of assets on which LTS advises, but does not actively manage the assets, are billed at a lower rate. Wealth and investment management fees are based upon the average daily balance of all securities and other managed or supervised assets in client accounts. Wealth and investment management fees are billed quarterly, in advance, and are normally deducted from client accounts. Retirement accounts may be invoiced separately and clients may elect how they will be paid.

Consolidated asset reporting through the LTS private client portal permits clients to consolidate assets, liabilities and cash flows, including private equity investments and real estate assets, and access them via the portal, is available to all LTS wealth and investment management clients. Assets included in consolidated reporting that are not under LTS management are billed at a negotiated rate. For managed assets, up to three separate accounts are included in the base investment management fee; an unlimited number of additional accounts or assets can be added for a fixed annual fee.

Fees for wealth and investment management services are specified in our Wealth and Investment Management Services Agreement. The Agreement is usually for a term of two years and is thereafter renewed automatically unless notice is given by either party to terminate ninety days prior to the date of expiration.

LTS clients receive monthly or quarterly account statements directly from the custodian and may elect to have statements delivered electronically. The Firm also sends its clients quarterly performance reports prepared by the Firm. LTS performs periodic testing to ensure that fees are charged in accordance with the Agreement.

Fees for Other Services

Fees for financial planning are based on the complexity of the plan, and generally range from \$2,500 to \$15,000 for a complete Capital Sufficiency Analysis. Other financial planning and wealth management consulting and implementation services are charged separately, based on an hourly rate or a negotiated fee, depending on the needs of the client.

General

Asset-based fees are calculated based on the current reported fair market value of all assets managed by LTS. For purposes of determining fair market values, investments for which no market value or market value estimates is readily available will generally be billed at the last value reported by the manager, or in the absence of such a value, at cost or book value. When wealth and investment management clients invest in LTS Capital Partners investment vehicles, the Firm does not include the value of these investments when calculating portfolio values for wealth and investment management fee purposes.

Investment Management Services Agreement

LTS clients enter into an investment management services agreement which details the nature of the advisory relationship, the nature of discretionary investment authority, the fee basis and rate, and whether the client wishes to have fees deducted from an account or invoiced separately.

Negotiated Fees

LTS may waive all or part of its minimum annual fee in its discretion, and may make lower fee arrangements or otherwise negotiate different arrangements in certain circumstances.

Fee Components

The Firm's wealth and investment management fee, based on assets under management, covers wealth and investment management services provided. Other services may be charged separately. Underlying managers of portfolio funds, separate accounts, exchange traded funds, mutual funds, private equity and hedge funds in which a client invests also charge management fees and some additionally charge incentive allocations or performance fees. LTS does not charge these fees to clients and does not benefit, directly or indirectly, from any such fees. Clients may also incur, directly or indirectly, brokerage costs, other transaction costs, custodian fees, and other fees and expenses, depending on portfolio structure and account activity.

Termination of Services

Clients may terminate their relationship at any time, subject to certain provisions in the Wealth and Investment Services Agreement. For agreement effective dates or termination dates falling on other than quarter end, fees will be prorated based on the actual number of days and average assets during the proration period, using the latest quarter end values. Any fees paid in advance exceeding the termination notice period for services yet to be rendered will be remitted on a pro-rata basis within five (5) weeks of the termination.

Additional Compensation

LTS is a fee-only investment advisor and is compensated exclusively by its clients and LTS and its employees do not accept any remuneration from third parties, including sales charges, service fees, 12b-1 fees or soft dollar compensation in connection with the selection or recommendation of any investment managers, products or securities, except as disclosed below. LTS receives management fees and performance-based compensation for its role as manager and advisor to LTS Capital Partners pooled investment vehicles. LTS Capital Partners—Fallbrook VI, LLC received a fee from Fallbrook Technologies in connection with its investment in Fallbrook, which fee was credited to investors in LTS Capital Partners—Fallbrook VI, LLC in lieu of the first year's management fee. LTS may be compensated by 401-K plan providers in connection with services rendered to 401-K plan participants in lieu of wealth and investment advisory fees.

LTS Capital Partners Private Equity Vehicles

LTS is the manager and investment adviser to consisting of several series of private equity pooled investment vehicles. These proprietary investments offer access to direct equity and debt investments in privately held companies with cutting-edge technologies. Investors in LTS Capital Partners offerings must invest the minimum amount required by each offering, and usually must have a net worth excluding residence of at least \$2 million in accordance with the requirements of the Investment Advisers Act of 1940 (the Advisers Act).

The Firm provides administrative, advisory and management services to these entities as disclosed in the relevant offering documents, and receives fees and other compensation from the entities. The opportunity to invest in these investments may be made available to the Firm's clients and employees, as well non-clients. There is no obligation for any client to purchase any interest in an LTS Capital Partners investment vehicle. Some, but not all, of the Firm's clients and employees have made investments in, and are limited partners and/or members of, these entities.

In its capacity as general partner or managing member and advisor to LTS Capital Partners, the Firm charges each investment participant a management fee that is typically 1% of the total capital contribution committed, which may be more or less than similar private equity fee arrangements. In addition, clients pay their pro rata share of organizational expenses incurred by the Firm, as well as operating expenses such as legal, accounting, filing, tax and other out of pocket expenses made on behalf of each pooled investment vehicle. These fees, reimbursements and expenses are detailed in the offering documents and are billed periodically. On liquidation, LTS is also entitled to receive from each private investment vehicle a participating distribution equal to a percentage of the remaining proceeds and/or net income attributable to any portfolio investment, after return of 100% of invested capital to investors, plus any preferred return specified.

LTS normally values LTS Capital Partners investments for reporting purposes on the basis of contributed capital until distributions begin, or until other circumstances arise which indicate the need for a different value. The Firm will review the value of LTS Capital Partners investment vehicles periodically and adjust reported values if the need for an adjustment is indicated, in accordance with its valuation policies.

The Firm potentially receives a higher level of compensation from client investments in LTS Capital Partners offerings than from third party investments, which could present a conflict of interest.

Clients are advised of this conflict in LTS Capital Partners offering and subscription documents. The Firm follows written policies and procedures to avoid and resolve conflicts of interest and ensure that all clients are treated fairly. Risks, including potential conflicts of interest, are more fully described in the relevant offering and subscription documents. Private equity investments, especially investments in early stage companies, are illiquid and can involve considerable risk including the risk of loss of the total investment, which investors should be prepared to bear.

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

LTS does not receive performance-based fees in conjunction with its wealth and investment management services. LTS does receive performance-based fees in its role as manager and advisor to LTS Capital Partners, as discussed in Item 5.

Pursuant to the Advisers Act, advisors have a fiduciary obligation to place client interests above their own, to treat all clients equitably and to disclose material facts, including conflicts of interests. LTS does not receive performance-based compensation for its investment management services, except as disclosed above, and does not engage in trading practices which could create a conflict of interest.

Item 7 TYPES OF CLIENTS

LTS accepts a limited number of new clients each year. In deciding which clients to accept, our emphasis is on clients whose values and goals are congruent with those of LTS. Generally, we accept two types of clients:

- Emerging wealth clients, who are primarily younger and have limited or illiquid wealth and the prospect for substantial assets or a liquidity event in the future. The emphasis in our work with emerging wealth clients is on growing wealth and providing sources of liquidity.
- Established wealth clients, who are primarily more mature and often retired. The emphasis in our work with established wealth clients is on preservation of capital and generation of wealth to support their lifestyle.

In deciding whether a prospective client may be a good fit for LTS, we engage in a mutual screening process that results in either acceptance as a client or a referral to another appropriate advisor if there is not a good fit. Our clients include high net worth families and individuals, retirement plans, trusts, businesses and private foundations.

LTS does not have a minimum investment requirement, but we generally have a minimum annual fee of \$20,000 for established wealth clients, making our services most suitable for clients who have, or expect to have, \$2 million or more of investable assets. The Firm may waive all or part of its minimum annual fee in its discretion and may have lower fee arrangements with certain clients.

LTS Capital Partners investments generally require a minimum investment amount of \$100,000 and usually require investors to have a minimum net worth of \$2 million exclusive of residence to qualify as an investor.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategy and Methods of Analysis

LTS employs a highly disciplined and systematic approach to investing and portfolio construction that is driven by in depth research and client goals and objectives. Every portfolio is customized according to client-specific criteria. The resulting portfolios are selectively diversified across asset classes, sectors, and geographies, with tactical adjustments for specific situations to achieve an acceptable probability of achieving the risk adjusted returns required to meet a client's objectives. The Firm uses a variety of investment vehicles and underlying managers to construct client portfolios, including individual equities and bonds, mutual funds, ETFs, separately managed accounts, master limited partnerships, real estate, hedge funds, private equity funds and other alternative investments.

LTS builds relatively conservative, long-term core portfolios that seek to minimize risk by selecting underlying managers with long track records of consistent performance, sound investment philosophy and strong management teams; We seek to enhance portfolio performance by also selectively adding promising emerging managers for a portion of some portfolios. LTS may also recommend that a client supplement liquid securities with an allocation to private equity and other less-liquid investments in order to enhance overall portfolio performance without subjecting the portfolio to excessive risk.

Underlying managers are selected through a rigorous research and due diligence process that is conducted by LTS professionals. In evaluating investment managers, the Firm has periodic communications with managers to assess numerous quantitative and qualitative factors. The Firm may also employ outside investment research consultants and use research supplied by custodian/broker firms to assist and augment the Firm's own research, analysis and due diligence.

To further reduce risk and improve the probability of meeting client goals, the Firm may develop shorter-term tactical investment views which are typically structured around a long-term strategic allocation. Using broad market and asset class analysis, the Firm may temporarily tactically overweight or underweight certain asset classes and/or investments based upon their relative attractiveness for the short-to-medium term. The Firm monitors portfolios constantly and adjusts weights as market circumstances warrant.

Client portfolios may also incorporate tax overlay strategies, including tax-loss harvesting, to maximize the after-tax return of the overall portfolio. Tax loss harvesting uses previously unrecognized investment losses to offset realized capital gains and ordinary income from other sources, lower tax liabilities at year-end, and increase the after-tax return of the overall portfolio.

The LTS investment team is led by its Investment Committee, composed of senior management including our Chief Executive Officer, Chief Operating Officer, Chief Investment Officer and Portfolio Manager. The Investment Committee actively sets and reviews investment strategy, researches and select managers and investments, designs portfolios, and directs tactical shifts from strategic long-term allocations. The Investment Committee meets weekly to review changing economic and

conditions, sector allocations, and manager selection and performance, and holds multi-day quarterly meetings to review manager and portfolio performance in more depth.

The Firm's investment management clients receive investment advisory services that are generally managed on a discretionary basis. This means that the client grants LTS limited authority to supervise, invest and trade client assets placed under its management in a manner consistent with pre-established client objectives, guidelines and policies as specified in an Investment Policy Statement tailored for each client. Clients may also impose restrictions on investing in certain securities or types of securities.

Risk of Loss

Investment in capital markets involves risk, which includes the possibility that a portfolio could decline in value. Risk varies according to investment type. Investment products or investment strategies are not guaranteed and may not adhere to any predefined level of performance. Although diversification may reduce investment risk, diversification itself does not prevent losses from occurring, nor does it guarantee profitable results. The managers selected for client portfolios and their associated strategies present additional sources of risk which vary within and across market sectors and asset classes.

Item 9 DISCIPLINARY INFORMATION

Registered Investment Advisers must disclose all material facts about any legal or disciplinary events that would be material in an evaluation of the Firm or the integrity of the Firm's management personnel. LTS and its personnel have no reportable legal, financial or disciplinary history.

Item 10 OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

Certifications and Licenses

One Principal of the Firm (Neil Chakkerla) holds the Chartered Financial Analyst (CFA) designation. One Principal of the Firm (George Brewster) holds Chartered Retirement Planning Counselor (CRPC), Certified Divorce Finance Analyst (CDFA), Counselor of Real Estate (CRE), and Chartered Wealth Manager (CWM) designations. Two principals of the Firm (Richard Intrater and George Brewster) hold life insurance and annuity licenses. One Principal of the Firm (George Brewster) holds a real estate broker license. No Principals of the Firm engage in revenue-generating activities from insurance sales or real estate brokerage on behalf of the firm, or independently. Two Principals of the Firm (George Brewster and Angela Berry) hold Series 7 securities licenses, and neither LTS nor any of its employees are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or as a representative of any of the foregoing.

LTS Proprietary Private Equity Investment Vehicles

LTS is the manager and investment adviser to LTS Capital Partners, consisting of several series of private equity investment vehicles. These proprietary pooled investment vehicles offer access to direct equity and debt investments in early-stage, privately held companies with cutting-edge technologies. Investors in LTS Capital Partners offerings must invest the minimum amount required by each offering, and usually must have a net worth excluding residence of at least \$2 million in accordance with the requirements of the Investment Advisers Act of 1940 (the Advisers Act).

The Firm provides administrative, advisory and management services to these entities as disclosed in the relevant offering documents, and receives fees and other compensation from the entities. The opportunity to invest in these investments may be made available to the Firm's clients and employees, as well non-clients. There is no obligation for any client to purchase any interest in an LTS Capital Partners investment vehicle. Some, but not all, of the Firm's clients and employees have made investments in, and are limited partners and/or members of, these entities.

Potential Conflicts of Interest

The Firm may recommend to certain clients investments originated and managed by affiliates of LTS, including LTS Capital Partners. The Firm receives management fees, expense reimbursements and performance-based distributions from LTS pooled investment vehicles, which may potentially result in a higher level of compensation than from third party investments, which could present a conflict of interest. Clients are advised of this potential conflict in LTS Capital Partners offering and subscription documents, and the Firm follows written policies and procedures to avoid, disclose and resolve conflicts of interest to ensure that all clients are treated fairly in accordance with our fiduciary duty.

In December 2013, LTS Capital Partners II, LLC—Eyefluence A Series, offered access to an investment in Eyefluence, Inc., of which an LTS wealth management client is a founder, CEO and a major shareholder. We do not believe such investment created, or will create, any conflict of interest, and the Firm has disclosed these facts in the offering and subscription documents for this investment.

In July, 2014, Richard L. Intrater, President, CEO and principal owner of LTS, joined the Board of Directors of Fallbrook Technologies, Inc. Mr. Intrater was previously an observer to the board but now has full voting power. LTS Capital Partners has previously offered several pooled investment vehicle investments in Fallbrook Technologies and we believe that Mr. Intrater's participation in the governance of Fallbrook Technologies will result in benefits for the investors in those vehicles. Because of these benefits and the fact that any compensation received by Mr. Intrater for his service as a director will be contributed to LTS Capital Partners investors, we do not believe his position on the Fallbrook Technologies board presents a conflict of interest.

Item 11 CODE OF ETHICS

We value the trust that our clients place in us, and we place our fiduciary responsibilities to our clients first and foremost in all aspects of our business. LTS has adopted a code of ethics which outlines our standards of business conduct and serves to establish a standard of professional and

personal conduct for all LTS employees based upon the fundamental principles of openness, integrity, honesty and trust.

The LTS code of ethics includes provisions for maintaining the confidentiality of client information and client privacy, prohibitions on insider trading, restrictions on the acceptance of gifts, requirements to report certain political contributions, gifts and business entertainment, and restrictions on personal securities trading, among other items. A copy of the LTS code of ethics is available upon request.

As a part of its code of ethics, the Firm has implemented a personal securities transaction policy to review and monitor the personal securities transactions and holdings of all Firm employees and their immediate family members residing in the same household. Each quarter, all Firm employees must submit a record of their personal securities transactions to the Chief Compliance Officer for review. In addition, the LTS personal securities transaction policy requires that all employees provide the Chief Compliance Officer with a written report of, or access to, the holdings in their securities accounts within ten (10) days after becoming an employee and at least once each twelve month period thereafter.

In the event that demand for an LTS Capital Partners investment exceeds availability, client allocations are usually filled first. To the extent that there is any remaining capacity, LTS employees are permitted to invest on the same terms, and with the same fees, as all other investors, provided they meet the minimum net worth and any other requirements stated in the offering documents.

The Firm endeavors to not recommend securities to clients or sell securities for client accounts at or about the same time that another client buys or sells the same securities, but the same security may be bought in one client account and sold in another client account at or about the same time for reasons including rebalancing, liquidity, or other legitimate reasons. It is the Firm's policy that if LTS or a related person invests in the same securities or related securities that LTS or a related person recommends to clients, client transactions must be processed first and other steps be taken to avoid any conflict of interest.

Item 12 **BROKERAGE PRACTICES**

Best Execution

LTS, as a fiduciary to its advisory clients, endeavors to obtain best execution for client transactions, meaning not necessarily the lowest transaction cost, but the best overall qualitative execution. When determining best execution, the Firm's considerations include, but are not limited to, price/yield competitiveness, execution capability and quality, reasonableness of commission rates, market impact, financial responsibility, operational efficiency, responsiveness, knowledge of the relevant asset class/sector/specific security in which the firm is transacting business, availability of institutional share classes, and other factors deemed appropriate in providing the best overall service and value to our clients.

Research and Other Soft Dollar Benefits; Payment for Client Referrals

LTS does not engage in any soft dollar arrangements, nor does it compensate any broker/dealer, custodian, client or third party for client referrals. Some LTS employees may, as additional compensation from the Firm, participate in some of the fees generated by clients which they refer to the Firm.

Schwab, Pershing or other custodian/brokers may provide LTS with access to institutional trading, custody, reporting and related services, many of which are not typically available to retail investors. Schwab and Pershing also make available to LTS various support services that may or may not directly benefit LTS Clients, and that may help LTS manage or administer accounts or our manage our business, including software or technology that facilitates access to client data, trade execution, pricing and market data, facilitates payment of fees, and assists with back-office functions, record keeping, reporting and compliance. These services generally are available to independent investment advisors on an unsolicited basis, at no charge.

Directed Brokerage

Although LTS does not generally accept directed brokerage arrangements, in which a client requires that transactions be effected through a specific broker-dealer/custodian, clients do have the right to direct brokerage if they wish. In instances where a client chooses to maintain a relationship with a specified broker-dealer/custodian, it is the client's responsibility to negotiate terms and arrangements with that custodian, with the understanding that the Firm may not be able to achieve best execution of transactions with the specified broker-dealer/custodian. Directing brokerage may cost more in term of higher commissions, other transaction costs or greater spreads, and clients may receive less favorable net prices on transactions than would otherwise be the case. LTS may or may not oversee such outside broker relationships and may or may not make investment recommendations to the client. Outside accounts may or may not be included in the calculation of the Firm's wealth and investment management fee, depending on the level of the Firm's oversight and management in accordance with the terms of the agreement with the client.

Trading Practices

As a fiduciary, LTS endeavors to place our clients' interests first and foremost at all times. The Firm's trading policies and procedures prohibit unfair trading practices, seek to avoid any conflicts of interest, and endeavor to resolve conflicts or trade errors in the client's favor. The Firm follows written policies and procedures for trade documentation, reporting of trade order status, resolution of trade errors, trade allocation, and trade aggregation. Internal trading (as opposed to trading done in a client's separately managed account) is done through the client's chosen custodian and is generally executed through the custodian's online trading platform.

Purchases and sales of securities for various client accounts are not normally aggregated, but if LTS does purchase the same security for more than one client on the same day, such transactions may be aggregated by the executing broker, in which case the actual prices applicable to the aggregated transactions may be averaged.

Item 13 REVIEW OF ACCOUNTS

LTS periodically reviews all client accounts and financial plans. For those clients to whom LTS provides investment management services, the Chief Investment Officer and Portfolio Manager review portfolios at least quarterly.

All clients are encouraged to review financial planning issues, investment objectives and account performance together with any personal or financial changes with the CIO and Portfolio Manager at least annually, but most clients are in touch with the Firm on a much more frequent basis. The Firm may also conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, mutual fund management changes and by client request.

The Firm provides written quarterly performance reports in addition to the statements supplied by custodians, which reports include current holdings under our management (and in some cases holdings not under our management) as of the report date, which is normally the end of the calendar quarter, as well as historical performance of the client portfolio versus applicable benchmarks and LTS model portfolio benchmarks, the management fee invoice, and a disclosures page. In addition, year-end quarterly reports also include realized gain-loss, income, and expense reports for each account as applicable.

Clients are provided monthly or quarterly statements directly from their custodian that summarizes the beginning and ending values of the assets as well as all transaction activity during the month. In addition to the custodial statements, clients receive trade confirmations from the custodian whenever trades are executed in their accounts. Clients should compare the reports from LTS with the statements and confirmations received from their custodians.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

LTS does not have any referral or compensation arrangements with third party solicitors and receives no economic benefit, including sales awards or prizes, from any person who is not a client for providing advisory services to clients, except in connection with 401-K plans. Some LTS employees may, as additional compensation from the firm, participate in fee revenue generated by clients which they refer to the Firm.

Item 15 CUSTODY

Custodial Accounts

LTS does not accept custody of client assets, except as noted below. The Firm uses qualified institutional custodians to hold client assets and our clients receive account statements directly from the custodian, in addition to LTS quarterly performance reports, which can include assets not managed by LTS. The Firm may meet the SEC's definition of having custody of some client accounts because of certain activities or services, including being the manager of LTS Capital Partners, serving

as a trustee of a client trust, or holding a power of attorney for a client account. In accordance with SEC rules, those accounts over which Firm is deemed to have custody are subject to an annual audit, the results of which are filed with the SEC and made available to clients.

LTS maintains several custodial relationships, including Schwab Institutional, Pershing, Millennium Trust, Deutsche Bank and First Republic Bank, which meet differing client needs and asset levels. Clients enter into a custodial/clearing agreement directly with the custodian and may pay transaction fees to the custodian for brokerage or other services. Factors which LTS considers in recommending custodians include historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, and customer service.

LTS does not receive any, discounts or fees on any investment products or services provided by recommended custodians, other than custodial and brokerage services and related support services. There is no commitment to any custodian to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products.

Item 16 INVESTMENT DISCRETION

Discretionary Account Management

Generally, LTS client accounts are managed on a fully discretionary basis wherein the client grants the Firm the discretion and authority to supervise, invest and trade client assets placed under its management in a manner consistent with established client objectives and guidelines. Prior to the Firm assuming discretionary authority over a client's account, the client executes a Wealth and Investment Services Agreement, including a limited power of attorney in favor of the Firm, granting the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name in the discretionary account, subject to the guidelines and policies established in collaboration with the client. When engaged on a discretionary basis, LTS may alter the client-

approved equity/fixed income ratio, sub asset allocations and investment managers used in the client's account within prescribed limits for tactical purposes without prior client approval. Clients may impose limitations on discretionary authority, such as limiting the purchase of certain types of securities or securities from specified geographical areas.

Non-discretionary Account Management

A client may choose to have a non-discretionary account with LTS. With respect to non-discretionary wealth and investment management services, the Firm generally maintains ongoing responsibility to make recommendations, based upon the needs of the client. If such recommendations are accepted by the client, the Firm is responsible for arranging or effecting the purchase or sale. Under a non-discretionary arrangement, the client has the sole authority with regard to the acceptance or rejection of any recommendation or advice from the Firm. For non-discretionary clients, the Firm may not make any changes in the allocation of the client's assets under management without prior approval from the client, with the result that the risk of loss in non-discretionary accounts may increase at times when there is a downturn in the markets and LTS cannot timely reach the client for trading authorization.

Item 17 VOTING of CLIENT SECURITIES

LTS does not accept authority to vote company proxies on behalf of clients. Clients retain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investments. Clients will receive proxies or other solicitations directly from the custodian. Clients may contact the Firm to discuss any questions about a particular proxy solicitation.

Item 18 FINANCIAL INFORMATION

LONG-TERM SOLUTIONS, LLC does not have any financial condition that is reasonably likely to impair its ability to meet its contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

PRIVACY NOTICE

LONG-TERM SOLUTIONS, LLC is committed to maintaining the confidentiality, integrity and security of current and prospective clients' nonpublic personal information through the use of computer safeguards and policies and procedures for safeguarding that information. As part of this commitment, we have adopted the following privacy policies concerning the collection, disclosure, maintenance and disposal of clients' nonpublic personal information. Federal law requires us to tell you how we collect, share, and protect your personal information and gives consumers the right to limit some but not all sharing.

Collection of Information

As your investment adviser, **LONG-TERM SOLUTIONS, LLC** collects non-public information from you such as:

- Information we receive from you or in applications or other forms, correspondence, or conversations, including but not limited to your name, address, phone number, social security number, date of birth, annual income, assets, net worth, and investment history.
- Information about your transactions with us or others, including but not limited to your account numbers and balances, user names or passwords, payment history, parties to transactions, cost basis information, and other financial information.

Disclosure of Information

We will not disclose nonpublic information about you to anyone, except as necessary to carry out the services you have requested or authorized in connection with our provision of services to you, as required by law, or with your express consent. You have the right to opt out of our disclosure of nonpublic information to non-affiliated third parties, although doing so may prevent us from providing some services to you. We may disclose information about you to the following non-affiliated third parties:

- Authorized securities brokers, financial institutions and custodians;
- Third-party vendors and service providers who provide reporting, aggregation, email and other IT services in relation to your account;
- Persons acting in a fiduciary or representative capacity on your behalf;
- Attorneys, accountants and consultants to whom you have authorized us to release information;
- Law enforcement agencies or computer security providers for the purpose of protecting against fraud and unauthorized transactions, or in order to maintain the confidentiality of our records; and
- Government agencies, self-regulatory organizations, industry associations and similar bodies in order to fulfill legal requests, investigations, and other legal and regulatory requirements.

On all occasions when it is necessary for us to share your personal information with non-affiliated third parties, we will require that such information be used only for the limited purpose for which it is shared, and will require that such third parties not further share such information except to fulfill that limited purpose. We will never sell your personal or financial information to any outside third party.

Protection and Disposal of Information

Our firm has security measures in place to protect you against the loss, misuse and alteration of the information under our control. We maintain physical, electronic, and procedural standards that comply with Federal standards to restrict information access only to those employees providing client services, and to dispose of records in accordance with accepted industry practices.

Inactive and Former Clients

If you decide to close your account with **LONG-TERM SOLUTIONS, LLC**, we will continue to adhere to our privacy policy and related practices as described above with respect to your accounts.

Please direct all inquiries about this Brochure and **LONG-TERM SOLUTIONS, LLC** to:

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San Francisco, CA 94108
(415) 321-2950
www.longtermsolutions.org