

FORM ADV PART 2A

March 30, 2020



This Brochure provides information about the qualifications and business practices of Sendero Wealth Management, LLC ("Sendero"). If you have any questions about the contents of this Brochure, please contact us at support@sendero.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Sendero is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Sendero is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Sendero who are registered, or are required to be registered, as investment adviser representatives of Sendero.

ITEM2-MATERIAL CHANGES

On July 28, 2010 the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 30, 2020 is an updated document prepared according to the SEC’s requirements and rules and replaces our previous Brochure dated April 18, 2019.

This brochure amendment describes the firm’s new fee schedule, and the Sendero Guidance Process, which is a new service to assist in determining financial goals and the means to achieve those goals. guidance policy and the firm’s new financial planning services.

Our brochure may be requested by contacting Lisa G. Kahn-Smith, Chief Compliance Officer at 210.805.1180 or emailing her at lkahn-smith@sendero.com. Our brochure is also available on our website, www.sendero.com.

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ITEM 4 – ADVISORY BUSINESS

Sendero Wealth Management is an independent, San Antonio based firm designed to preserve, protect, and grow your wealth. The Sendero team has provided investment advisory services to families and select institutions since our founding. Sendero was created in 2008 but prior to that, it was a division of Redstone Consulting, LLC beginning in 2000.

Redstone was founded in 1995 as a PaineWebber affiliate and later transitioned to an independent open-architecture platform in 2000 by becoming the San Antonio affiliate of The Redstone Companies, L.P. in 2008. Sendero Wealth Management amicably spun out of Redstone to achieve independence and to avoid any potential conflicts of interest as Redstone pursued private equity interests. During 2012, the ownership of Sendero Wealth Management was restructured resulting in the purchase of 100% of the firm by Sendero Partners. Sendero Partners is owned 89% by Sendero Partners and 11% by a passive investor, which is also a client of the firm. Sendero Partners is the parent company of Sendero Wealth Management, LLC and Sendero Securities, LLC, a FINRA member broker-dealer.

Sendero manages client portfolios on both a discretionary and non-discretionary basis as selected by the client in the Sendero Advisory Agreement.

Sendero Guidance Process

The Sendero Guidance Process (SGP) is a fundamentally different way to view the role of money in your life. Through a dynamic and collaborative process, we will identify the clients' financial values and associated goals. The SGP includes in depth conversations around goals and values, financial planning and a comprehensive reporting of your financial picture.

Assist the client(s) in the review, evaluation, and formulation of investment objectives and policies and help develop asset allocation strategies for your Assets. These strategies are developed based on the information provided to Sendero in the Client Profile, answers provided to Sendero in the Investment Objective Questionnaire, discussions with you, and your Investment Policy Statement ("IPS"), as applicable.

Assist the client in the selection of a combination of investment strategies to manage all, or a portion of, the Assets in a manner consistent with the client's financial circumstances, investment objectives, risk tolerance, and any restrictions they wish to impose on the management of the Assets. Sendero will only identify Investment Managers that are included in our advisory program pursuant to an agreement between Sendero and the Investment Manager (the "Sub-Adviser Agreement"), or strategies that are approved by Sendero's Investment Committee. Investment Managers or strategies not included in our advisory program will be evaluated on a case by case basis.

Provide continuous, regular and ongoing monitoring and due diligence (only of strategies approved by the investment committee) with which the Assets have been invested, as well as ongoing and continuous recommendations regarding the retention or termination of such strategies, according to your investment objectives.

Provide ongoing performance reporting with respect to the Assets, as well as such other reporting as may be mutually agreed upon by you and Sendero.

FinLife Partners Service Offering

In an effort to enhance the quality and breath of services that Sendero provides to its Clients, Sendero utilizes a suite of digitally powered technology solution offered by FinLife Partners, a division of United Capital Financial Advisers, LLC (“FinLife Partners”). FinLife Partners provide access to its technology platform to Sendero that includes use of certain technology platform, training relating to use of such technology platform, and if elected by Sendero certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Sendero’s clients. Sendero pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom Sendero utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners.

Discretionary Management

In its discretionary accounts, Sendero shall have investment discretion with respect to the agreed upon investment allocation, client investment objectives and approved Investment Policy Statement (“IPS”) ranges. Sendero will have discretion to rebalance client portfolios based on the approved IPS ranges, debit accounts for advisory and Third-Party Investment Manager fees, (as agreed upon by the client), and hire and terminate Third-Party Investment Managers. Sendero may use its discretion to substitute Third-Party Investment Managers within the client-approved asset class. This discretion will be used in this manner exclusively and will not be utilized for any other purposes, (such as changing client investment objectives). Should this discretion be utilized, Sendero will provide client with the rationale behind, and a description of any such change, upon request. Sendero will only have investment discretion on assets included in its advisory program, pursuant to an agreement between Sendero and the Third-Party Investment Manager (the “Sub-Adviser Agreement”) or strategies that are approved by Sendero’s Investment Committee. Client must authorize the use of any strategy other than mutual funds, ETFs or strategy(ies) where Sendero has a Sub-Adviser Agreement (Private Placements, Subscription Agreements, Applications, etc., may apply). Sendero cannot retain on the client’s behalf any Third-Party Investment Manager(s) with whom Sendero does not have a Sub-Adviser Agreement. Sendero will not have discretion to move funds without client’s written consent other than to same name accounts within the same Custodian.

Non-Discretionary Management

In its non-discretionary accounts, Sendero shall have no investment discretion with respect to any of the assets. It is understood that the client is relying on Sendero for general investment advice and client is under no obligation to act on any investment advice provided by Sendero. Sendero will have the ability to debit client accounts for advisory and Third-Party Investment Managers fees. Sendero will not have discretion to move funds without client's written consent, other than to same name accounts within the same Custodian.

Assets Under Management or Advisement (AUM)

As of December 31, 2019, Sendero Wealth Management had \$4.26 billion in assets under advisement breakdown as follows; \$3.91 billion in non-discretionary assets under advisement and \$351 million in discretionary assets under management.

Our Services

Sendero offers customized investment strategies to help our clients preserve, protect, and grow their wealth. We offer traditional asset allocation, manager selection and sophisticated investment oversight to our clients. Sendero generally focuses on clients with \$5MM or more in investable assets. Clients with less than \$5MM in investable assets will typically have their assets managed using a discretionary model portfolio approach.

Advisory Services

We develop and implement investment strategies based on a client's entire financial situation, not just their managed assets. Our open architecture strategy selection process provides a selection of both traditional and alternative investment strategies. We are a privately-owned, independent firm with deep family values and a passion for personalized service.

Advisory Services for clients with less than \$5MM in investible assets

Sendero utilizes a discretionary model portfolio approach, which offers various portfolio models and uses ETF's and mutual funds as the investments made by each model. This approach brings Sendero's attributes of open architecture, strategy, due diligence, oversight and strategic asset allocation to clients with investible assets of less than \$5MM. Sendero reserves the right to place clients with less than \$5mm in investible assets into other advisory programs, as agreed upon.

Organization of Wealth

Sendero provides the expertise to sort through the complexities of investing large pools of assets. We aggregate all client assets and present a clear, easy to understand analysis of total wealth.

Strategic Asset Allocation

Sendero uses a holistic view of wealth combined with an investment policy directive from the client to gain important insight into the most appropriate combination. Portfolios usually include traditional equity and fixed income securities combined with non-correlated asset classes such as alternative investments, real estate, and private equity.

Open Architecture Investment Manager Selection

Sendero uses an open architecture platform. The strategies and investment vehicles used for client portfolios exercise discretion (buy and sell within our client's account) within the mandate for which they have been hired.

Expert Oversight

Clients need access to their assets and we take pride in making this easy while staying true to the client's ideal investment strategy. We leverage sophisticated analysis and investment techniques to delicately balance a long-term, tax sensitive discipline with the immediate cash flow needs of each relationship.

Ongoing Manager Due Diligence

While conference calls and visits from our managers to the Sendero offices occur throughout the year, our due diligence team visits our approved managers at their respective offices, at least annually. We conduct approximately 200-240 manager visits/conference calls each year. Sendero believes it is important to visit the managers in their own environment so that our team gets a feel for the culture, people, investment process and business management. The due diligence team researches the investment process, current trades in the portfolio, themes the managers are implementing in the portfolios, review of analysts' reports, as well as risk metrics and personnel. In addition to the technical research, our team wants to know what is happening in the personal lives of our managers as it may impact the portfolio and it is not something that can be picked up from a database. The relationships with our managers are very important and we allocate significant capital (one of our top three expenses) to the due diligence process.

Custodians and Broker-Dealers used by Sendero

Sendero uses various non-affiliated custodians in connection with its advisory activities. Advisory accounts use the services of Sendero's primary custodian, Pershing, LLC.

Sendero also utilizes the services of various broker-dealers in connection with its advisory activities. Most advisory accounts serviced by Sendero use Pershing Advisor Solutions, ("PAS") a broker-dealer affiliated with Pershing LLC. Clients purchasing alternative investments may utilize the services of Sendero Securities, the firm's affiliated broker-dealer. The use of other alternative investments in client portfolios will use various other custodians.

Investment Advocates

We seek to provide intelligent counsel for investment situations, recommending prudent and responsibly priced services for each client. When appropriate, we facilitate access to specialists for services beyond our scope of expertise, such as tax or legal advice. We consider it our duty to help identify the most appropriate solution for any investment decision impacting our clients.

Sendero's advisory services may include, without limitation, any one or more of the following services:

- Advice
- Idea generation
- Education
- Investment Policy Creation
- Asset allocation
- Due diligence
- Research
- Manager searches
- Performance reporting
- Sendero Guidance Process

Investable vs. Accommodation Assets

Sendero defines investable assets as those assets that are utilized in implementing the client investment strategy. For example, assets transferred into Sendero without restriction as to their holding period or sale would be considered investable assets.

Sendero defines accommodation assets as those which are held in client accounts and reviewed in connection with client specific portfolio allocation but are not included in Sendero's due diligence process. Sendero does not conduct its standard due diligence process on accommodation assets. However, Sendero monitors these such assets on behalf of the client to ensure any decisions affecting the accommodation assets fall in line with the client's goals.

ITEM 5 – FEES AND COMPENSATION

As compensation for the services provided with respect to the Assets in client accounts, Sendero will typically bill clients quarterly in advance based on the Market Value (which may include cash and/or accrued interest) of the Assets within the clients' aggregated household portfolio, as of the last day of the preceding calendar quarter. If the Account is closed during the quarter, fees will be pro-rated based upon the number of days the Account was opened during the quarter. Any fees billed, but unearned, will be promptly returned to client. Fee adjustments will be made, on a quarterly basis, for any withdrawals and deposits during the quarter whose values would result in \$30 or more in Advisory Fees. No fee adjustment will be made during the quarter for appreciation or depreciation in the Account's asset value during that period. Sendero uses third party software to generate its fee billing invoices. This pricing may differ from the pricing on the client account statements. However, Sendero believes that any such differences are immaterial.

Sendero will also bill on "Accommodation Assets", which Sendero defines as assets which are held in client accounts and reviewed in connection with client specific portfolio allocation but are not included in Sendero's due diligence process. These assets will be excluded from the Account Market Value for billing purposes and will be subject to a separate Advisory Fee, as specifically noted in the client's Fee Schedule.

Third-Party Investment Manager fees, with limited exceptions, will be billed by the respective Third-Party Investment Managers, who will provide the respective custodian with their invoice for the client account(s). These fees are in addition to Sendero Advisory Fees and may be billed at different times and calculated using a different methodology than is used by Sendero, (beginning or end of period, average assets, market values, etc.). In these exceptions, Sendero will debit client accounts based on the invoice provided by the Third-Party Investment Manager and then forward the fees to the respective managers. Sendero reviews Third-Party Investment Manager's fees to confirm the calculations are correct prior to fees being debited from client accounts.

For Advisory Fee purposes, alternative investments values are billed using the most recent statement value received from the fund administrator, which is usually the prior month end value. Sendero does not conduct an independent valuation of the alternative investments held in client accounts, but instead relies on the valuations provided by the respective Alternative Investment Manager(s). Assets held with Pershing or other custodians are priced using our third-party software, which receives its pricing feeds from the custodians.

If a client chooses to use a Third-Party Investment Manager or strategies that are not an approved Sendero Third-Party Investment Manager, that client may not receive the full range of advisory services described in this brochure with respect to that Third-Party Investment Manager or strategies. Sendero is not responsible for reviewing Third-Party Investment Managers or strategies that are not approved by its Investment Committee or for communicating any information regarding those Third-Party Investment Managers or

strategies to any client. Clients may pay the full Advisory Fee to Sendero with respect to assets invested with Third-Party Investment Managers not approved by the Sendero Investment Committee, even though a client does not receive from Sendero the full range of services and due diligence that the client would receive with respect to Sendero approved Third-Party Investment Managers or strategies.

All Sendero clients may incur additional charges that may be imposed by the respective custodian, including, but not limited to, transaction fees and costs, margin or debit interest, costs associated with exchanging foreign currencies, SEC fees, transfer fees, exchange fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. Such charges, fees and commissions are exclusive of and in addition to Sendero's fees. Additional fees for work outside our normal services may apply. (i.e., services related to Sendero Guidance Process (SGP), divorce, estates, family office, account reconciliations and foreign transfers).

Excluding certain legacy clients, (as dictated by their individual Agreement), the rate used each quarter for all fee schedules for Sendero clients will be one-fourth of the annual rate. Accounts may be subject to any minimum fee specified in the Client Agreement. The initial fee ("Initial Fee") will be calculated as of the date the Client Agreement is accepted by Sendero (the "Commencement Date"). The Initial Fee will cover the period from the Commencement Date until the last day of the initial calendar quarter. The Initial Fee will be calculated proportionately with respect to the number of days in the initial billing period, divided by the number of days in the year and will be based on the market value, (including cash and/or accrued interest if any), of the client's assets on the Commencement Date. Thereafter, the quarterly fee will be calculated based on the market value (including cash and/or accrued interest, if any) of the client's assets as of the last day of the preceding calendar quarter. The quarterly fee will become due on the first business day of the following calendar quarter and will be deducted from the account shortly thereafter.

Clients may make additional contributions into an account at any time, subject to Sendero's right to terminate the account. Additional contributions may be in cash or marketable securities, provided that Sendero and the applicable Third-Party Investment Manager reserve the right to decline to accept certain securities into an account. Sendero may accept other types of investments for deposit at its sole discretion. Clients generally may withdraw assets within three (3) business days upon written notice to Sendero, subject to usual and customary securities settlement procedures. Alternative investments have varying liquidation terms based on their agreements. A pro-rated fee will be charged on contributions to cover the period of time from the date of deposit until the last calendar day of the calendar quarter. Similarly, a pro-rated fee reduction will be made on withdrawals from an account to reflect the period of time from the date of withdrawal until the end of the billing period. All contribution and withdrawal flows will be captured in the subsequent quarter billing period. In the event of the termination of a Client Agreement, a prorated fee from previous quarter end until termination date will be charged on the assets.

Sendero may from time to time make exceptions for certain clients, that result in fee schedules or practices that may be different than what is described in this brochure. Any such exceptions are documented in the client's Sendero Advisory Agreement and Fee Schedule. Excluding these instances, the only fee schedule being offered by Sendero currently is as follows:

Sendero Wealth Management Advisory Fee Schedules

The annual fee for Advisory Services is based on the market value of the assets under management or advisement. Sendero's maximum annual fee is 1.10% of the value of the client's portfolio as described herein. Clients may have a minimum annual fee, as set forth within their individual fee schedule. Sendero believes its fees are reasonable in relation to the fees charged by other investment advisers. The amount and method by which fees are charged is established in each client's written agreement with Sendero. In some instances, for accommodation assets a fixed fee may be negotiated not based on AUM.

FinLife Partners Service Offering

Sendero pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom Sendero utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners.

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

With the exception of Alternative Investment Placement Fees, (as noted on page 10), Sendero does not receive any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

ITEM 7 – TYPES OF CLIENTS

Sendero provides investment advisory services to select high net worth individuals, families, endowments and charitable organizations. Sendero generally focuses on clients with \$5MM or more in investable assets. However, Sendero provides advisory services to clients with investable assets of under \$5MM. These clients will have their assets managed using a discretionary model portfolio approach. Sendero has certain legacy clients whose investible assets and fee schedules may be client specific. Such exceptions are set forth in the client's Sendero Advisory Agreement and Fee Schedule. Sendero reserves the right to place clients with less than \$5mm in investible assets into other advisory programs, as agreed upon.

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

ADVISORY SERVICES

Designing the Right Mix

Before making any recommendations, Sendero becomes familiar with the client's entire scope of assets as well as their investment goals, risk tolerance and distribution requirements through a questionnaire and multiple discussions. A client's investment objective typically consists of a return in dollar amount or percentage they are trying to achieve over the investment cycle. Usually this number comes from a necessary spending rate plus inflation so that a portfolio maintains buying power and growth over time. Sendero addresses the unique challenges of wealth in the investment policy statement (IPS) as well. We discuss the goals and needs of the portfolio in the near term (current cash flow), intermediate term, and long-term legacy. A client's personal and financial goals are vital to the investment process and we talk about them at each meeting. Understanding a client's comprehensive goals and challenges also help us to bring customized educational pieces that are important and relevant to them. This comprehensive view allows us to customize a blend of investment strategies to diversify exposure. This blending of asset classes serves to potentially smooth the return variance.

- **Stability Assets** – Intended to reduce the volatility or risk profile of a portfolio and includes asset classes such as cash, bonds, multi-strategy and market neutral hedge funds.
- **Growth Assets** – Intended to grow the assets of a portfolio and will have higher volatility or risk profile. This category includes asset classes such as domestic stocks, international stocks and REITs.
- **Diversifier Assets** – Intended to improve portfolio characteristics and provide independent risks and return drivers then the Stability and Growth assets. This category includes asset classes such as long/short and hedged equity strategies, managed futures, and other illiquid investments.

Strategy Selection

Sendero tends to focus on small to mid-tier managers with significant portions of owner/employee wealth invested in their firm. We also employ the use of index funds and ETFs. Our search process begins with historical quantitative data and portfolio characteristics. We then evaluate numerous qualitative factors to gain a better understanding of the organization, key decision makers and viability of the strategy. Managers are selected based on their track record as well as their clear vision of how they expect to add value in the future. We believe our due diligence process results in the recommendation of managers with proven investment strategies and reasonable fees, many times negotiated down from the public fee schedule.

Always Perfecting the Strategy

We are an advocate for each client, focused on the investment environment and how it might impact the overall investment strategy. Our recommendations are designed to help protect our clients' wealth and grow it responsibly over time through varying market conditions.

Risk of Loss

A risk of investing with a Third-Party Investment Manager who has been successful in the past is that they may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a Third-Party Investment Manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate of the strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Investing in securities involves risk of loss that clients should be prepared to bear.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sendero or the integrity of Sendero's management.

Sendero has no activity or information applicable to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Scott R. McMillian is the Chairman, Fred W. Middleton is the Chairman Emeritus and Edward A. Hart is the President of Sendero Wealth Management, LLC. However, they are also registered representatives of Sendero Securities, LLC., Sendero's affiliated broker-

dealer, which is registered with FINRA. Likewise, Brenda D. Allen, Amaury Conti, Sadie Ilse-Schweer, Lisa G. Kahn-Smith, Tara D. Maxwell, Ariel Palomo and George Watson, III are all registered representatives of Sendero Securities, LLC. Sendero Securities' activities are limited to providing services as a placement agent related to alternative investments of Sendero's advisory clients.

ADDITIONAL COMPENSATION

Mutual Fund Charges

To the extent mutual funds are selected by Sendero to fill components of a client's overall investment strategy, Sendero endeavors to purchase such mutual fund shares at net asset value or on a "no-load" basis. To the extent Sendero is successful in doing so, its clients will not be subject to any initial distribution cost (front-end sales charge) or redemption fee (back-end sales charge), if any, that might normally be incurred upon the purchase or sale of shares of mutual fund shares. Clients do incur the indirect costs of mutual fund manager's fees in addition to the Advisory Fee paid to Sendero.

Support Services Agreement

Sendero entered into a Support Services Agreement in 2016, wherein Sendero will receive certain approved support services to be paid for by Pershing Advisor Solutions, LLC. The support services agreement consists of services that qualify as brokerage or research services under Section 28(e) of the Securities Exchange Act of 1934, as well as services that may not fit within the safe harbor provided in Section 28(e). This arrangement requires Sendero to present invoices for services provided for approval to PAS. Expenses related to systems, software, research and other technology-based products and services, as well as other approved marketing expenses.

Alternative Investment Placement Fees

Sendero may from time to time recommend to client's alternative investments, where Sendero has established a placement fee relationship through Sendero Securities. Such relationships will result in Sendero Securities receiving a portion of the ongoing manager fees based on the account value and performance. It is important to note that the fees payable to Sendero Securities in connection with such relationships are included in the overall fees charged by the alternative investment and do not increase the fees paid, directly or indirectly, by the client. Such fees may present a conflict of interest because Sendero may have more incentive to recommend alternative investments with whom it has a placement agreement.

Clients should be aware that the receipt of additional compensation by Sendero, Sendero Securities, its management or employees creates a conflict of interest. The receipt of additional compensation could impair the objectivity of Sendero and these individuals when making advisory recommendations.

Sendero endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- Sendero discloses to clients the existence of all material conflicts of interest, including the potential for Sendero and our employees to earn compensation from advisory clients in addition to Advisory Fees;
- Sendero discloses to nondiscretionary clients that they are not obligated to purchase recommended investment products from employees or the investment managers or investment funds;
- Sendero collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Sendero management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- Sendero requires that its employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- Sendero periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by Sendero; and
- Sendero educates our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

A potential conflict arises from a Sendero Partner being married to a senior manager at Harris Associates, L.P. Sendero's use of Harris predates the Sendero Partner's affiliation at Sendero. Harris is one of the Third-Party Investment Managers that Sendero may recommend to clients. Such a recommendation creates a conflict of interest and may directly or indirectly benefit the Sendero Partner. Sendero mitigates this conflict by requiring the Sendero Partner to be recused from any voting or involvement in any decisions relating to Harris Associates, L.P. Additionally, Sendero informs all affected and potentially affected clients of this conflict of interest.

ITEM 11 – CODE OF ETHICS

Sendero has adopted a Code of Ethics for its employees, describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees at Sendero must acknowledge the terms of the Code of Ethics annually, or as amended.

Standards of Conduct

We maintain a Code of Ethics and Personal Trading policy which applies to all employees, officers and directors of Sendero. As fiduciaries, we have a duty of utmost good faith to act solely in the best interests of our clients. This fiduciary duty requires all employees to act with integrity in all dealings. We strive to foster a healthy culture of compliance within all aspects of our business. In addition, employees are prohibited from using non-public material inside information to trade in personal accounts or on behalf of our clients including trading on non-public information. Further we expect our employees to be alert to potential conflicts of interest and to avoid even the appearance of such conflicts. These principles represent the foundation of all of our dealings with clients.

Our Code of Ethics and other policies, detail the standard of conduct expected of our employees, and includes limitations on personal trading, the giving and acceptance of gifts, serving as a director or trustee for outside organizations, participating in external investment organizations, political contributions, and engaging in unrelated business activities. Our employees are required to comply with all applicable state and federal securities laws.

This Code of Ethics requires employees to report promptly any violation of the Code (including any discovery of any violation or suspected violation committed by another employee) to our Chief Compliance Officer (“CCO”).

ITEM 12 – BROKERAGE PRACTICES

Sendero receives certain services from PAS pursuant to a Support Services Agreement. Such services may be offered to Sendero based upon the level of assets/accounts held at PAS and its affiliates. Such soft dollar arrangements may fall outside of Section 28(e). This creates a conflict of interest because the adviser is receiving benefits that it would otherwise have to pay for as a benefit of retaining client assets with a particular custodian. Sendero evaluates the value of the benefits it receives and its impact, if any, on selecting service providers for its clients to ensure that it is always seeking best execution for its clients.

Sendero may consider several factors in recommending other broker-dealers to its clients, including, for example, transaction costs, price, clearance, settlement ease of execution and integration with existing Sendero systems, systems for monitoring client investment and regulatory compliance, reputation, financial strength and stability. Sendero may and expects to recommend that its advisory clients utilize Pershing Advisor Solutions, LLC for trade execution and custody.

For Sendero accounts that utilize Third-Party Investment Managers, the Third-Party Investment Manager could execute transactions away from the Pershing, LLC, the custodial broker-dealer. When a transaction is executed through a broker-dealer other than the custodial broker-dealer clients may incur a transaction fee, commission, and/or

other charges that will be in addition to the fee charged by the custodial broker-dealer or custodian. The executing broker-dealer shall be entirely responsible for the execution of these trades, which will be cleared and held by the custodian.

Sendero conducts the following reviews, at a minimum, in order to ensure that its clients are receiving “Best Execution”.

- Annual review of fixed income trades executed by Third-Party Investment Managers to determine if the prices received such managers were reasonably related to the market at the time of the execution;
- Monitoring the trading costs, such as commissions, associated with these “away” trades
- Obtaining a Best Execution Acknowledgement from each Third-Party Investment Manager;
- Review the “Execution Quality Scorecard” published by its primary custodian.

ITEM 13 – REVIEW OF ACCOUNTS

Assets for which Sendero is providing investment advisory services, unless otherwise specified by the client, are monitored on a systematic basis and are reviewed at least annually by a principal or other firm designated person to ensure that the investment advice is consistent with the client’s stated investment objectives. Notwithstanding the above, more active accounts and larger accounts may be reviewed on a more frequent basis.

The nature and frequency of reports to clients are determined primarily by the client’s needs. Generally, clients access reports via the Sendero portal, which is intended to demonstrate the performance of account assets as well as provide an asset holding summary with daily market values, transactions, and contribution/withdrawals for the relevant period. Clients will also receive brokerage transaction confirmations and monthly and/or quarterly account statements from the custodians of their assets.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

At this time there are no solicitor fees paid. If a solicitor introduces a client to Sendero, Sendero may pay the solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and the rules set forth by the respective state jurisdictions. Any such referral fee shall be paid solely from the fees earned by Sendero hereunder and

shall not result in any additional charge to the client. If the client is introduced to Sendero by a third-party solicitor, the solicitor shall provide the client with a copy of this Form ADV Part 2 and a copy of the disclosure statement containing the information set forth in Rule 206(4)-3(b) of the Advisers Act.

ITEM 15 – CUSTODY

Clients will receive at least quarterly statements from the bank or other qualified custodian that holds and maintains client's investment assets. Sendero urges the client to carefully review such statements and compare such official custodial records to the reports that we may provide to the client. Sendero's reports may vary from custodial statements based on accounting procedures, such as settlement date cash basis versus trade date, reporting dates, or valuation methodologies of certain securities. However, Sendero does not believe that such differences are material in nature. Sendero may have custody of client assets if the client has a "Standing Letter of Authorization" on file with Sendero, or debiting fees. Sendero believes it has complied with the terms and conditions outlined in the SEC's February 2017 guidance and therefore is not required to comply with SEC's other requirements as they relate to custody of client assets. In addition, Sendero has complied with SEC requirements relating to the debiting of client accounts for Advisory Fees, and therefore is not required to comply with other SEC requirements as they relate to the custody of client assets.

ITEM 16 – INVESTMENT DISCRETION

Advisory Services

Sendero manages some of its client portfolios on a discretionary basis, which is selected by the client at the time of signing the Sendero Advisory Agreement.

Discretionary Management

In its discretionary accounts, Sendero shall have investment discretion with respect to the agreed upon investment allocation, client investment objectives and approved Investment Policy Statement ("IPS") ranges. Sendero will have discretion to rebalance client portfolios based on the approved IPS ranges, debit accounts for advisory and Third-Party Investment Manager fees, (as agreed upon by the client), and hire and terminate Third-Party Investment Managers. Sendero may use its discretion to substitute Third-Party Investment Managers within the client-approved asset class. This discretion will be used in this manner exclusively and will not be utilized for any other purposes, (such as changing client investment objectives). Should this discretion be utilized, Sendero will provide client with the rationale behind, and a description of any such change, upon request. Sendero will only have investment discretion on assets included in its advisory program, pursuant to an agreement between Sendero and the Third-Party Investment Manager (the "Sub-Adviser Agreement") or strategies that are approved by Sendero's Investment Committee. Clients must authorize the use of any strategy other than mutual funds, ETFs or strategy(ies) where Sendero has a Sub-Adviser

Agreement (Private Placements, Subscription Agreements, Applications, etc., may apply).

Sendero cannot retain on the client's behalf any Third-Party Investment Manager(s) with whom Sendero does not have a Sub-Adviser Agreement. Sendero will not have discretion to move funds without client's written consent other than to same name accounts within the same Custodian.

ITEM 17 – VOTING CLIENT SECURITIES

Sendero will not vote proxies on those accounts managed by a Third-Party Investment Manager. The manner in which a specific Third-Party Investment Manager addresses conflicts related to proxy voting is set forth in the Third-Party Investment Manager's individual proxy voting procedures, which will be provided upon request to clients who select the Third-Party Investment Manager. The client's respective custodian will forward to the client, or any person designed by the client, any proxy materials that they receive pertaining to securities held in the accounts(s). Clients may contact the Sendero in the event they wish to know how their proxies were voted by the applicable Third-Party Investment Manager on their behalf.

Unless the client specifically "opts out", Sendero will vote proxy on all non-Third-Party managed accounts. Sendero will utilize the services and voting methodology of Egan Jones standard proxy method. For additional information on this voting methodology, please see www.ejproxy.com.

Unless the client specifically "opts out", Chicago Clearing Corporation ("CCC") has been engaged to provide class action litigation monitoring and securities claim filing services on their behalf. CCC handles the filings from start to finish and charges a contingency fee of 15%, which is subtracted at the time of payment from the client's portion of the litigation payout.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sendero's financial condition.

Sendero has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceedings.