

**FORM ADV PART 2A**

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September 2021

**This brochure provides information about the qualifications and business practices of Altera Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (404) 551-5071 and/or [clientservices@alteraadvisors.com](mailto:clientservices@alteraadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Altera Advisors, LLC is an investment advisory firm registered with the US Securities and Exchange Commission (“SEC”). Registration does not imply a certain level of skill or training. Additional information about Altera Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Altera Advisors, LLC is 308222.**



## **Item 2 - MATERIAL CHANGES**

Our Brochure was last amended in September of 2021. We have updated our fee schedule under Item 5. At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Ansur Ahmed at (404) 551-5071 or [clientservices@alteraadvisors.com](mailto:clientservices@alteraadvisors.com). Additional information about Altera Advisors is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with Altera Advisors who are registered, or are required to be registered, as investment adviser representatives of Altera Advisors.

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#### Item 4 - ADVISORY BUSINESS

Altera Advisors, LLC (hereinafter referred to as “Altera Advisors”) is an investment advisory firm providing advice pertaining to alternative investments.

- A. Altera Advisors was established in March of 2020. The principal owner of Altera Advisors (i.e., own 25% or more) is Altera Investments, LLC. The principal owner of Altera Investments, LLC is Altera Holdings, LLC. The principal owners of Altera Holdings, LLC include Evans Equity Management, LLC owned by Chadd Evans and MAM, LLC (owned equally by Mitchell Reiner and Matthew Reiner). Chadd Evans and Mitchell Reiner will maintain voting rights.
- B. Altera Advisors’ principal business is providing advice around alternative investments. This includes:
- Working with individual clients to create portfolios containing alternative investments. Altera Advisors works directly with clients to create a managed portfolio of alternative investments not available on any exchange or secondary market.
  - Providing sub-advisory services to other investment advisers to find, conduct due diligence and advise on various alternative investments and/or to offer managed portfolios of various alternatives for various objectives and financial interests.
  - Facilitating capital calls for investors through custodial accounts.
  - Engaging with other investment advisers in consulting roles as requested.
  - Establishing private investment vehicles for which Altera Advisors serves as investment adviser.

Under various types of engagements, Altera Advisors will provide access to or recommend special purpose vehicles (“SPVs”) created by Altera Advisors or one of its affiliates (“Altera SPVs”) and advised by an affiliated investment adviser. Please refer to ***Item 10 – Other Financial Industry Activities and Affiliations*** below for additional details. There is a conflict of interest for Altera Advisors to use its affiliated SPVs because there is an incentive for Altera Advisors to recommend investment in Altera SPVs due to ownership and compensation. Clients are under no obligation to purchase Altera SPVs.

Altera Advisors’ services are only suitable for clients who satisfy the requirements of the alternative investment vehicle as described in the offering memorandum of each investment. Typically, clients must satisfy the accredited or qualified investor definition and have investment sophistication. Further, clients must understand and be acceptable of the following:

- Long term investment time horizon
- Alternative investments are generally illiquid
- There is likely not a secondary market to liquidate units or shares
- Investments contain a high amount of risk

The investment process involves a quantitative and qualitative review. The primary objective for Altera Advisors is to identify prospective investments to create a comprehensive, well-diversified portfolio of alternative investments. This will likely include, but not be limited to, private debt funds, private equity funds, real asset funds, infrastructure funds, and hedge funds.

The following are guidelines to the investment process:

- Focus on investing in second and follow-on fund offerings and attempt to refrain from first funds except for special situations. Perform an analysis of strengths and weaknesses of the investment
- Review historical performance of prior funds
- Conduct analysis of the fund's managers and team
- Review the experience and bios of the principals of the company
- Conduct a peer analysis comparing fund managers to other fund managers considering performance, operating structure, leverage, style, and overall strategy

You are advised the investment recommendations and advice offered by Altera Advisors are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Altera Advisors promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify Altera Advisors of any such changes could result in investment recommendations not meeting your needs.

- C. Altera Advisors advisory services are limited to alternative investments. Altera Advisors tailors the advisory services it offers to a client's individual needs and interests. Clients can impose restrictions and/or limitations on the investing in certain sectors or industries.
- D. Altera Advisors does not participate in any wrap fee programs.
- E. Altera Advisors has \$1,472,807 of assets under management on a discretionary basis, and \$0 on a non-discretionary basis.

<b>Item 5 - FEES AND COMPENSATION</b>
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- A. Altera Advisors charges fixed fees and/or percentage fees based upon the amount of assets under management or advisement as follows:
  - Portfolio Consulting Fee. Client will pay a flat fee to Investment Advisor for Client's yearly portfolio consultation (the "**Portfolio Consulting Fee**"). The initial Portfolio Consulting Fee payment will be due at signing and then annually thereafter at the time of each review. The Portfolio Consulting fee is earned upon receipt non-refundable.
  - Assets Under Management Fee. Client will pay an annual fee quarterly in arrears, calculated according to the table below and based on the quarter-end value of the Account as further detailed in the investment advisory agreement (the "**AUM Fee**"). The AUM Fee for the initial quarter of management will be due at the end of the first quarter of management and will be prorated based on the number of days remaining in the first calendar quarter after Client's Account is opened with Investment Advisor (the "**Opening Date**"). The quarterly AUM Fee shall be calculated by multiplying the average daily balance of the Account for the calendar quarter on the final day of such calendar quarter by the applicable fee rate below, and then dividing by four (4).
  - Setup and Implementation Fee. Client will pay a one-time flat Account setup and implementation fee on the Opening Date (the "**Setup and Implementation Fee**"). The Setup and Implementation Fee is earned upon receipt and is non-refundable. This fee is exercised at Investment Advisor's sole discretion.

Fees are negotiable at the discretion of the firm. Clients of affiliated entities are subject to a different fee schedule detailed more specifically in each of their investment management agreements. Our AlteraOne™ fee schedule is noted below:

## FEES

### Portfolio Consulting Fee

\$7,500

### Setup and Implementation Fee

\$7,500

### Miscellaneous Fees

As listed in Item C below

### AUM Fees

<u>Asset Type</u>	<u>Fee Rate</u>
Cash and Cash Equivalents	0.00%
Altera-Sponsored Investments	0.00%

### Non-Altera Sponsored Investments

\$0 to \$5 million	1.25%
Amounts over \$5 million	.90%

Fees are generally rounded to the nearest dollar unless otherwise agreed upon with Client. Full details regarding fees can be found in the investment management agreement.

Altera Advisors may change the above fee schedule upon 30-days prior written notice to you. Altera Advisors compensates unaffiliated third parties for client referrals through revenue sharing arrangements. Clients referred to Altera Advisors through these arrangements do not pay an additional fee.

- B. Advisory fees will generally be collected directly from your account, provided you have given Altera Advisors written authorization. You may pay fees from outside funds if agreed upon in advance with Altera Advisors. You will be provided with a billing statement prior to the deduction of any fee from your account. Any objection to the fees described therein must be communicated by you to Altera Advisors in writing within (10) days of the provision of the billing statement after which time you shall be deemed to have accepted and consented to such fees. If the Account does not contain sufficient funds to pay advisory fees, Altera Advisors has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Altera Advisors, except for ERISA and IRA accounts.
- C. In addition to the advisory fees above, you will pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the account of alternative investments. Such fees are not charged by Altera Advisors and are charged by the broker/dealer account custodian. Altera Advisors does not share in any portion of such fees. In addition, if client

chooses to have accounts or assets that are not managed by Altera Advisors included on an investor portal there will be fees associated.

- D. Clients are not required to pay fees in advance.
- E. Other than as described above, neither Altera Advisors nor any of its supervised persons receives compensation from the sale of securities or other investment products.

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

Altera Advisors does not assess performance-based fees itself but may recommend that some clients invest some of their assets in SPVs or other private investments, managed by one of Altera Advisors' affiliates, that have a performance-based fee component. Because of common ownership, Altera Advisors' owners indirectly receive a portion of this performance-based fee component.

#### **Item 7 - TYPES OF CLIENTS**

Altera Advisors' services are offered to individuals, high net worth individuals, charitable organizations, other investment advisors, corporations or other businesses including trusts and estates as well as private funds. Our clients will generally meet the accredited investor definition.

#### **Minimum Investment Requirements**

Altera Advisors generally requires a minimum portfolio value of \$500,000. Altera Advisors can make exceptions to the minimum amount at its sole discretion. Exceptions will be considered if client has other investments in Altera products or portfolios or client anticipates additional funds becoming available for investment at a later date.

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

Altera Advisors employs a "top-down" asset allocation approach in conjunction with "bottom-up" approach to alternative asset selection and portfolio construction, that can be broadly described in four steps. The first step is an involved process that requires building relationships with and performing diligence screens on several private equity, private debt, real asset, infrastructure, and hedge funds. Second, Altera Advisors then determines an internal set of preferred managers and investment opportunities based on a holistic evaluation of a variety of factors that include, but are not limited to, strategy, operations, internal controls, management, fundraising schedule, and investment timeline. Third, Altera Advisors determines a portfolio timeline and strategy that aligns with the established mandate and allocates funds in an effort to build a portfolio resembling the target allocation. Note that this target allocation may be subject to change throughout the investment period due to changing market conditions, revisions of strategy, or alteration of client mandates. Finally, Altera Advisors monitors and reports on the existing portfolio, while thoughtfully rebalancing the portfolio in a manner consistent with the established mandate.

Because of the risk involved in private offerings, Altera Advisors generally recommends clients limit investment into private offerings using the following guidelines. However, certain clients should limit their private investments to a smaller percentage of their investable assets than those listed below depending on their specific circumstances. Further, depending on the net worth and liquidity of the



client's portfolio, and their risk tolerance, a client may be able to bear a higher allocation to private offerings than the guideline set forth below.

Generally, Altera Advisors will recommend that a client not invest more than 15% to 20% of their investable assets in private offerings, and

Generally, Altera Advisors will recommend that a client invest no more than 15% of a client's investable assets in a single offering.

Note: Individual client facts and circumstances may reduce or increase these limits

#### Security Type Risks:

The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

Private placement investments generally involve various risk factors, including, but not limited to the following. A more in-depth discussion of risks that must be considered is set forth in each investment's offering documents, which will be provided to each client for review and consideration prior to investing.

- Potential for complete loss of principal, meaning that you may lose your entire investment
- Liquidity constraints
- Lack of transparency
- Difficulty obtaining price evaluation
- Limited or no secondary market
- Long term investment commitment
- Inconsistent dividend and distributions
- High internal and operating costs
- Inability to obtain business evaluations and comparisons
- Limited or lack of communications from the private placement issuer or others with respect to business operations

Unlike liquid investments (i.e., mutual funds, exchange traded funds, stocks, bonds, etc.) that a client may maintain, private placement investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the offering and acknowledges and accepts the various risk factors that are associated with such an investment.

Investing in alternative and private placement investments involves unique and serious risks an investor must be prepared to bear. It is crucial an investor read the offering memorandum prior to investing for full disclosure of qualification requirements and risks including:

- Operational, economic, market cycles and trends, investment, tax
- Risk of hedge funds, derivatives, and other investment vehicles
- Trading risks such as short selling, performance-based fees, limited operating and investment experience, consulting fees, interest, and lending fees
- Use of leverage
- Illiquidity or limited liquidity

- Non-existence of or minimal secondary market
- Valuation complexities
- High degree of risk and potential loss of principal
- Tax liability and risks with changes to tax code
- Limited operating and/or investment experience
- Regulatory risks and/or lack of regulation and oversight of the business activity and management.

Typically, private placements are not subject to some of the laws and regulations that protect investors. Private placement memoranda typically are not reviewed by any regulator and may not present the investment and related risks in a balanced light. Private placements are not registered with a regulatory authority.

Altera Advisors does not represent, warrant or imply that the services or methods of analysis used by Altera Advisors can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Altera Advisors will provide a better return than other investment strategies.

You are advised that investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the advisory services offered by Altera Advisors will require you to be prepared to bear the risk of loss and fluctuating performance for any investments you make.

#### **Item 9 - DISCIPLINARY INFORMATION**

Investment Advisers must disclose any legal or disciplinary events that would be material to your evaluation of Altera Advisors or the integrity of our services. There is no reportable disciplinary information required for Altera Advisors or its management persons that is material to your evaluation of Altera Advisors, its business, or its management persons.

#### **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Altera Advisors has a number of affiliated entities. “Affiliated” means these entities are under common ownership and/or control with Altera Advisors. Some of the principal owners and members of the holding company of Altera Advisors, Altera Investments, LLC, are registered or licensed under affiliated investment advisers, Capital Investment Advisors, LLC and Wela Strategies, Inc. Following is a brief description of each affiliate.

##### Capital Investment Advisors, LLC (“CIA”)

CIA is an investment adviser registered with the U.S. Securities and Exchange Commission. CIA offers traditional financial planning and investment management services to its clients, both on a discretionary and non-discretionary basis.

### Wela Strategies, Inc. (“Wela”)

Wela is an investment adviser registered with the U.S. Securities and Exchange Commission. Wela offers asset management services that involve the use of model accounts as the focus point of its management style. Accounts will generally be managed based upon the changes determined by Wela Strategies to the model accounts.

CIA and Wela have entered into a Service Agreement, under which Wela pays CIA to provide certain services, including but not limited to, administrative services, operational services, and compliance oversight. CIA’s investment committee also conducts the research for the model portfolios used by Wela.

### Altera Private Access, LLC (“APA”),

APA is an investment adviser registered with the U.S. Securities and Exchange Commission. It is the adviser to various pooled investment vehicles (special purpose vehicles or “SPVs”) operating as private funds (each a “Client” or “Fund” and collectively, the “Clients” or “Funds”) created by affiliated general partnerships. Interests in the Funds are offered to certain sophisticated, qualified investors, including high net worth individuals, retirement plans, trusts, partnerships, corporations, family offices, other RIAs, foundations and endowments, or other businesses. As appropriate for client circumstances, the APA - advised Funds will be used in portfolios managed by Altera Advisors. This is a conflict of interest to use affiliated Funds because of the compensation received and the desire to have investors in the Funds. This conflict is mitigated by a fee waiver by Altera Advisors on client investments in affiliated Funds. Further, Altera Advisors understands it has a fiduciary responsibility to use those investment vehicles in the best interest of the client.

Chadd Evans, Matthew Reiner, Mitchell Reiner, and Wesley Moss are indirect owners of the following SPVs and general partners as well as other future pooled investment vehicles that will be created from time to time.

- Altera PA SPV I GP, LLC, the general partner to Altera PA SPV I
- Altera Calibogue PA II LLC, Altera Calibogue PA II GP LLC
- Altera Blue Sage PA GP LLC, the general partner to Altera Blue Sage PA LLC
- Altera Boardwalk KSI PA GP LLC, the general partner to Altera Boardwalk KSI PA LLC
- Altera Big Blue PA LLC, the general partner to Altera Big Blue PA GP LLC
- Altera Level 5 PA GP LLC, the general partner to Altera Level 5 PA LLC
- Altera Ocean Avenue PA GP LLC, the general partner to Altera Ocean Avenue PA LLC
- Altera Chatham PA GP LLC, the general partner to Altera Chatham PA LLC
- Illuminarium Access PA GP LLC, the general partner to Illuminarium Access PA LLC and Illuminarium Access PA2T LLC
  
- Altera Rose PA GP, LLC, the general partner to Altera Rose, PA, LLC
- Altera Self Storage PA GP, LLC, the general partner to Altera Self Storage PA, LLC
- OPC Venture Fund I GP, LLC, the general partner to OPC Venture Fund I LP
- Altera Hungry Harvest PA 2 GP, LLC, the general partner to Altera Hungry Harvest PA 2, LLC
- Altera Big Blue PA 2 GP, LLC, the general partner to Altera Big Blue PA 2, LLC
- Altera SLT Extended Stay GP, LLC, the general partner to Altera SLT Extended Stay, LLC

- Altera Brighton Storage Partners GP, LLC, the general partner to Altera Brighton Storage Partners, LLC
- Altera Storage Yield Plus PA GP, LLC, the general partner to Altera Storage Yield Plus PA, LLC
- Altera Growth Equity I GP, LLC, the general partner to Altera Growth Equity I, LLC
- Altera Midwest Partners PA GP, LLC, the general partner to Altera Midwest Partners PA, LLC
- Altera Proof PA GP, LLC, the general partner to Altera Proof PA, LLC
- Altera Southern Dairies PA GP, LLC, the general partner to Altera Southern Dairies PA, LLC
- Altera Diversified Credit CAV I GP, LLC, the general partner to Altera Diversified Credit CAV I, LLC
- Altera Diversified Equity CAV I GP, LLC, general partner to the Altera Diversified Equity CAV I, LLC
- Altera Diversified Real Estate CAV I Manager, LLC, general partner to the Altera Diversified Real Estate CAV I, LLC
- Altera SLT Extended Stay 2 PA GP, LLC, general partner to the Altera SLT Extended Stay 2 PA, LLC
- Altera St. Louis PA GP, LLC, general partner to the Altera St. Louis PA, LLC
- Altera Astra Fund I, LLC, general partner to the Altera Astra Fund I, LLC

#### Capital Accounting & Tax, LLC (“CAT”)

CAT is owned by Michael Reiner, Wesley Moss, Mitchell Reiner, and Matthew Reiner. It offers accounting and tax services. Altera Advisors clients may choose to utilize the services of CAT but are under no obligation to do so. CAT does not pay any referral fee to Altera Advisors.

<h3><b>Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b></h3>
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#### **Code of Ethics**

- A. Altera Advisors has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Altera Advisors takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Altera Advisors’ policies and procedures. Altera Advisors maintains a Code of Ethics for its supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. Further, Altera Advisors’ Code of Ethics establishes Altera Advisors’ expectation for business conduct, and includes provisions for disciplinary action as appropriate for violations. A copy of our Code of Ethics will be provided to you upon request.
- B. As stated above under ***Item 10 – Other Financial Industry Activities and Affiliations***, when appropriate Altera Advisors and its associated persons recommend that clients buy or sell securities in which Altera Advisors or its Affiliates have a material financial interest. Clients should be aware of the conflict of interest created by the fact that Affiliates of Altera Advisors have a material financial interest in various recommended SPVs and may benefit directly or indirectly through personal investments made by its supervised persons. Under such circumstances, Clients will be assessed the management fee imposed by the investment

vehicle(s), which may include a performance-based fee component, and may also be assessed a management fee by Altera Advisors. A portion of such fees will ultimately flow through to the common owners of Altera Advisors and the Affiliate(s), thus creating a conflict of interest. In addition to **Item 10 – Other Financial Industry Activities and Affiliations**, please see **Item 5 – Fees and Compensation** for more information.

- C. Altera Advisors and its associated persons buy or sell securities identical to those securities recommended to you. Therefore, Altera Advisors and/or its associated persons will often have an interest or position in certain securities that are also recommended and bought or sold to you. Altera Advisors has established procedures that are reasonably designed to mitigate the conflicts of interest created by investing alongside clients.
- D. Associated persons may buy, sell or have an interest in the same securities recommended to clients. This presents a conflict if an associated person receives an allocation before a client. To mitigate this conflict Altera Advisors has policies and procedures in place to ensure that associated persons do not invest in private investments that Altera Advisors is evaluating for client portfolios, and which have the potential to be limited in allowable subscriptions, before each adviser contacts clients for whom the investment is appropriate and suitable to allow them the opportunity to invest first.

You have the right to decline any investment recommendation. Altera Advisors and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

#### **Prohibition on Use of Insider Information**

Altera Advisors has adopted policies and procedures to prevent the misuse of “insider” information (i.e., material non-public information). A copy of such policies and procedures is available to any person upon request.

### **Item 12 - BROKERAGE PRACTICES**

- A. When given discretion to select the brokerage firm that will execute orders in client accounts, Altera Advisors seeks “best execution” for those trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Altera Advisors may use or recommend the use of brokers which do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Altera Advisors’ clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

For client assets that are maintained in an account at a “qualified custodian,” generally a broker-dealer or bank, Altera Advisors has entered into a relationship with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”) and National Financial Services, LLC and Fidelity Brokerage Services, LLC (together referred to as “Fidelity”) to participate in the Fidelity Institutional Wealth Services (“FIWS”) platform. When such an account is needed, Altera Advisors recommends you establish an account with either Schwab or Fidelity for custodian and brokerage services.

Schwab and Fidelity provide custody, execution, and clearance and settlement services for stocks, bonds, mutual funds, and other securities. Altera Advisors is independently owned and operated and not affiliated with Schwab or Fidelity.

#### *How We Select Brokers/Custodians*

In selecting Schwab and Fidelity, Altera Advisors seeks to recommend a custodian that will hold your assets and execute transactions in public securities on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab and Fidelity”)

#### *Your Brokerage and Custody Costs*

For our clients’ accounts that Schwab and Fidelity maintain, Schwab and Fidelity generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that they execute or settle into your account. Certain trades (for example, stocks and ETFs, as well as many mutual funds) will not incur commissions or transaction fees. Schwab and Fidelity are also compensated by earning interest on the uninvested cash in your account. In addition to commissions/transaction fees, Schwab or Fidelity charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab or Fidelity execute most trades for your account. We have determined that having Schwab or Fidelity execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”).

#### *Products and Services Available to Altera Advisors from Schwab and Fidelity*

Schwab and Fidelity provide Altera Advisors and our clients with access to its institutional brokerage trading, custody, reporting, and related services—many of which are not typically available to retail customers. Schwab and Fidelity also make available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us

manage and grow our business.

Following is a more detailed description of Schwab and Fidelity support services:

*Services That Benefit You.* Schwab's and Fidelity's services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's and Fidelity's services described in this paragraph generally benefit you and your account.

*Services That Do Not Directly Benefit You.* Schwab and Fidelity also make available to Altera Advisors other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, either Schwab's or Fidelity's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, Schwab and Fidelity also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back office functions, recordkeeping, and client reporting

*Services That Generally Benefit Only Us.* Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting support

Schwab and Fidelity provide some of these services directly. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab and Fidelity also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab and Fidelity also provide us with other benefits, such as occasional business entertainment of our personnel.

These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodians. The benefits provided to Altera Advisors create an incentive for Altera Advisors and its Advisory Representatives to recommend Schwab or Fidelity based on the products and services that will be received rather than strictly on your best interest. However, as described previously, Altera Advisors believes Schwab and Fidelity serve your interests well.

#### Directed Brokerage

You are under no obligation to utilize the services of Schwab or Fidelity. While Altera Advisors recommends that you use Schwab or Fidelity as custodian/broker, you will decide whether to do

so and will open your account with an account custodian by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. You are advised you may maintain accounts at another broker/dealer. However, in order for Altera Advisors to effectively provide certain of its management services to you, the custodian you select must provide Altera Advisors access to its trading platform and provide duplicate statements and confirmations. Further, you are advised if you select another custodian, Altera Advisors may not be able to achieve the most favorable execution of transactions placed with the custodian on your behalf. Trading costs and account maintenance may be higher at other firms than what is available through Schwab or Fidelity.

**B. Aggregated Trades**

If Altera Advisors aggregates (“bunches”) transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce applicable transaction costs to participating clients. Altera Advisors conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts, including Altera Advisors employee accounts, in proportion to the size of the orders placed for each account. Under certain circumstances, the amount of securities will be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients. Typically, bunched trading is conducted when Altera Advisors is implementing an investment decision to buy or sell a security across all or multiple accounts.

<b>Item 13 - REVIEW OF ACCOUNTS</b>
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- A. You will be invited to participate in at least an annual review or as agreed by you and your Advisory Representative. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of an alternative investment or SPV.
- B. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes.
- C. You will be provided statements at least quarterly directly from the account administrators, custodian and/or the alternative investment or SPV.

<b>Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION</b>
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- A. Product vendors recommended by Altera Advisors may provide monetary and non-monetary assistance with client events, provide educational tools and resources. Altera Advisors does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. Altera Advisors’ due diligence of a product does not take into consideration any assistance it may receive.
- B. Altera Advisors and its affiliate Capital Investment Advisors, LLC have entered into



Agreements under which each may refer clients to the other. The firm receiving the referral will pay the referring firm a portion of any fees earned; clients do not pay a higher fee as a result of the referral. Altera Advisors has also entered into similar Agreements with third parties unrelated to Altera Advisors.

#### **Item 15 - CUSTODY**

Altera Advisors will be deemed to have indirect custody of client funds if such funds are invested into Altera affiliated SPVs. As disclosed under Item 10, certain supervised and affiliated persons of Altera Advisors are affiliated with Altera Advisors and owners of general partnerships to the Altera SPVs.

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct the account custodian where your cash and securities are maintained to deduct our advisory fees directly from your account. Additionally, Altera Advisors will be deemed to have custody if a client has a standing letter of authorization (SLOA) to transfer funds or securities to a third party and Altera Advisors has the ability to direct transfers, change the amount, and/or the timing of the transfer. The account custodian maintains actual custody of your assets. You will receive account statements directly from the account custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the account custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare the account custodian's account statements to the periodic account statements you receive from us.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Altera Advisors ensures that all investors in the private investment vehicles for which Altera Advisors serves as investment adviser will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 180 days, of the end of the private investment vehicle's fiscal year. Investors should carefully review the audited financial statements upon receipt.

Clients are advised to review this information carefully, and to notify Altera Advisors of any questions or concerns. **Clients are also asked to promptly notify Altera Advisors if the custodian fails to provide statements on each account held.**

#### **Item 16 - INVESTMENT DISCRETION**

Altera Advisors will accept clients on either a discretionary or non-discretionary basis. Often, a client portfolio will include some assets managed on a discretionary basis and others on a non-discretionary basis. For accounts that are fully discretionary or have positions managed on a discretionary basis, a Limited Power of Attorney ("LPOA") or other form of written authorization is executed by the client, giving Altera Advisors the authority to carry out various activities in the account or with respect to assets that may be held outside of a custodial account, generally including but not limited to the following: trade execution; the ability to request checks on behalf of the client; the withdrawal of advisory fees directly from the account, and the ability to process approved payments to third parties on behalf of the client. Altera Advisors then directs investment of the client's portfolio (or designated part of the portfolio) using its discretionary authority. The client may limit the terms of the LPOA or other authorizations to the extent consistent with the client's

investment advisory agreement with Altera Advisors and the requirements of the client's custodian.

For non-discretionary accounts, the client also generally executes an LPOA or provides other forms of written authorization, which allows Altera Advisors to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Altera Advisors and the client, Altera Advisors does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA or other authorizations, subject to Altera Advisors' agreement with the client and the requirements of the client's custodian.

#### **Item 17 - VOTING CLIENT SECURITIES**

Altera Advisors does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Altera Advisors about questions you may have or opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

#### **Item 18 - FINANCIAL INFORMATION**

- A. Altera Advisors will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service. As stated above, Altera Advisors may have discretionary authority over client accounts; however, that authority does not extend to the withdrawal of any client assets, with the exception of deduction of Altera Advisors' advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.
- B. Neither Altera Advisors nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.