

**Item 1. Cover Page**



*a Registered Investment Adviser*

**333 SE 2nd Avenue, Suite 2520**  
**Miami, FL 33131**  
**(786) 655-9790**

**[www.elementpointe.com](http://www.elementpointe.com)**

This brochure provides information about the qualifications and business practices of Element Pointe Family Office. If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. 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. Additional information about Element Pointe Family Office is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We are a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

Element Pointe Advisors, LLC a.k.a. Element Pointe Family Office has made the following material changes to our Disclosure Brochure since our last annual amendment on March 30, 2022:

<i>Item 1. Title Page</i>	Updated information to reflect that we do business under the name “Element Pointe Family Office” and our office address to 333 SE 2nd Avenue, Suite <u>2520</u> , Miami, FL 33131
<i>Item 5. Fees and Compensation</i>	Updated information to elaborate on our approach of viewing cash and cash equivalent instruments as an asset class incorporated into clients’ “Managed” accounts and subject to billing. Specified that we may, at our sole discretion, agree to hold specific cash balances in a client’s “Funding/Self-Directed” account and exclude cash from billing where the client has expressly requested that we maintain a specific amount in cash or cash equivalents for a specified period of time for the purpose of funding the client’s upcoming cash need or large capital expenditure. Specified that any newly-deposited cash (e.g., proceeds of a liquidity event) will be placed in a “Managed” account unless otherwise agreed to by Element Pointe.
<i>Item 7. Types of Clients</i>	Updated information to specify that we do not solicit retirement account relationships. The retirement accounts that we manage are limited to those where a client for whom we are managing other non-retirement accounts specifically requests to move their retirement account to us for the purpose of consolidating providers, and where we agree to accommodate the client’s request.

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## Item 4. Advisory Business

Element Pointe Advisors, LLC a.k.a. Element Pointe Family Office ("Firm", "We", "Our", "Us") is a wealth management and family office advisory firm. We offer Investment Management, Financial Planning, Consulting, Family Office Advisory services, Retirement Plan Advisory services, and affiliate private fund management. Prior to rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with us setting forth the relevant terms and conditions of the advisory relationship.

Element Pointe Family Office was formed in 2016 and is owned by David Savir and Carlos A. Dominguez directly and indirectly through Element Pointe Group, LLC, a holding company. As of March 3, 2023, we had \$636,738,617 of Regulatory Assets Under Management ("AUM"). Of this amount, we managed \$583,574,740 on a discretionary basis, and \$53,163,877 on a non-discretionary basis.

\$1,381,552,145 is the Total Assets Under Advisement ("AUA") and includes, but is not limited to, personal property, outside investments, and other real assets of approximately \$744,813,528 (as of December 31, 2022), for which we provide family office advisory or consulting services. These are non-GAAP accounting assets and include values derived from information provided by the families with whom we work and not independently verified by us. In addition to the Assets Under Advisement, we provide consolidated reporting-only services for an additional \$80,007,430 in assets (as of March 3, 2023).

While this brochure generally describes our business, certain sections also discuss the activities of our Supervised Persons, which refer to our officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on our behalf and is subject to our supervision or control.

### Investment Management, Financial Planning, Consulting, and Family Office Advisory Services

We manage client investment portfolios on a discretionary and non-discretionary basis. In addition, for some clients, we serve as a family office advisor as detailed below.

#### *Family Office Advisory Services*

We serve as a family office advisor to ultra-high net worth ("UHNW") families (generally with liquid net worth greater than \$100 million). We recognize that UHNW families have a unique set of needs. In addition to holding assets in many different legal entities, UHNW families often hold assets at many different banks, brokerage firms, and other custodians, and often have significant private company interests and real estate holdings. We understand the challenges of managing these many relationships and vast financial interests, and we are able to assist clients by providing:

- Portfolio consulting advice ("manager of managers").
- Ongoing oversight and management of portfolios across multiple financial institutions.
- Account aggregation and consolidated reporting.
- Management of the client's bank and brokerage relationships.
- Cash flow and liquidity management.
- Coordination of activities between the client's tax and legal advisors, banks, and third-party trustees.
- Estate planning coordination with the client's attorneys and tax advisors.

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### *Investment Management Services*

We primarily allocate client assets among various exchange-traded funds (“ETFs”), mutual funds, individual debt and equity securities, and independent investment managers (“Independent Managers”), as well as private equity and hedge funds in accordance with their stated investment objectives. Some Independent Managers, investments, and strategies we recommend, including portfolios of individual stocks selected by our Chief Investment Officer and investment team (“Single Stock Portfolios”), have account level investment minimums.

Where appropriate, we also provide advice about any type of legacy positions or other investments held in client portfolios. Clients may engage us to manage and/or advise on investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, we direct or recommend the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider. A client may also give us a limited power of attorney to access assets at other financial institutions that the client prefers to use for specific accounts (“Held Away Assets”). Access to Held Away Assets includes the ability to view and report on the assets and/or the ability to buy and sell securities in the account. When managing Held Away Assets, we are only responsible for the assets we manage and the decisions and recommendations that we make.

We tailor our advisory services to meet the needs of our individual clients and seek to ensure, on a continuous basis, that we manage client portfolios in a manner consistent with those needs and objectives. We consult with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify us if there are changes in their financial situations or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to our management efforts. To the extent that any portion of a client’s account is invested in mutual funds, we are governed by the investment restrictions described in the mutual fund’s prospectus and statement of additional information and not by any client imposed restriction.

### *Financial Planning and Consulting Services*

We provide financial planning and consulting services on a standalone basis. These services include advice on investment and non-investment related matters, such as retirement planning, education planning, estate planning, and insurance planning. We do not provide financial planning or consulting services to all clients. We determine in our sole discretion whether to offer or provide these services for a given client based on the client’s needs, preferences, and objectives. Financial planning differs from consulting services in that we will prepare a financial plan for a client and the term of advisory services will end, whereas consulting services generally do not include the preparation of a financial plan and are long term in nature.

The client retains the sole responsibility for determining whether to implement any recommendations we make and for placing any resulting transactions. We do not have discretionary authority with respect to the client’s assets unless the client enters into a wealth management agreement with us. A conflict of interest exists if the advice we provide in connection with financial planning or consulting services includes recommendations for other services that we provide. A client is under no obligation to act upon our recommendation. If a client elects to act on any of our recommendations, the client is under no obligation to effect the transaction through us.

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### Use of Independent Managers

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As mentioned above, we can select Independent Managers to actively manage a portion of our clients' assets. Clients will receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

We evaluate a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses we believe are reputable. To the extent possible, we seek to assess the Independent Managers' investment strategies, past performance and risk results in relation to our clients' individual portfolio allocations and risk exposure. We also take into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

We continue to provide services related to the discretionary selection of the Independent Managers. On an ongoing basis, we monitor the performance of those accounts Independent Managers manage. We seek to ensure the Independent Managers' strategies and target allocations remain aligned with our clients' investment objectives and overall best interests.

### Retirement Plan Advisory Services

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We provide ongoing investment monitoring and recommendations of investments on a non-discretionary basis to clients that are trustees or other fiduciaries to retirement plans subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). This service constitutes "investment advice" under Section 3(21) of ERISA and in these instances, we are a "fiduciary" as such term is defined under Section 3(21) in connection with this service. You should understand that to the extent we are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and we will not be a "fiduciary" under ERISA with respect to those other services.

We do not provide recommendations to plan participants with respect to their selection of investments and the client retains the sole responsibility for determining whether to implement any recommendations we make.

From time to time, we offer the client or plan participants advisory services that are separate and apart from our Retirement Plan Advisory Services. In offering any such services, we are not acting as a fiduciary under ERISA with respect to such services. If we offer any such separate services, the client will make an independent assessment without reliance on our advice or judgment.

### Affiliate Private Fund

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We serve as investment manager to Element Pointe Deep Access Fund, LP ("EP Deep Access Fund"), a special purpose vehicle ("SPV") and private fund. Our affiliate, Element Pointe Deep Access GP, LLC ("EP Deep Access GP"), serves as EP Deep Access Fund's general partner. EP Deep Access Fund is a Delaware limited partnership.

EP Deep Access Fund was formed to acquire an interest in a non-publicly traded security. EP Deep Access Fund's assets and liabilities are held separately and are not commingled with our firm's funds. EP Deep Access Fund was created in connection with our identification of a private investment for inclusion in some clients' portfolios, but where the availability to individual investors limited clients' participation. In its capacity as general partner, EP Deep Access GP coordinated the structuring of the EP Deep Access Fund and manages its operations, including retaining legal and accounting professionals. EP Deep Access GP has

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delegated the day-to-day operations to us. EP Deep Access Fund has defined investment objectives that are set forth in its offering documents and we tailor our investment advisory services to meet those objectives.

We, or our affiliate, offer the opportunity to invest in an affiliate private fund to other investors, including, without limitation, strategic partners, and potential clients and business partners, which are strategic to our business and our ability to serve the long-term interests of our clients. This is a conflict of interest because third-party investors are allocated a portion of an investment that could have otherwise been offered to a client. To mitigate this conflict, we will support any such allocations by a written justification regarding how the allocation stands to benefit our long-term ability to serve our clients' interests, and will require Chief Compliance Officer approval based on such justification.

### Item 5. Fees and Compensation

We offer services on a fixed fee or asset-based fee determined by the assets under management.

Occasionally, clients ask us to report on assets we do not manage. In such cases and in our sole discretion, we can negotiate to charge a fixed reporting fee or, alternatively, charge a reporting fee based on the value of the assets on which we provide reporting services. This reporting fee does not exceed 0.20% of the value of the non-managed assets for which we are asked to provide reporting services.

We offer services for an annual fee based on the amount of assets under our management. This management fee is set forth in the client's wealth management agreement and varies in accordance with the following blended (weighted-average) fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
First \$3,000,000	1.00%
Next \$7,000,000	0.80%
Next \$15,000,000	0.60%
Next \$75,000,000	0.40%
Above \$100,000,000	0.25%

Alternatively, we charge a negotiated fixed fee that is based upon the anticipated services and assets managed for a particular client. Since our inception, we have adjusted our standard management fee schedule; as a result, the management fees we charge to some longer standing clients do not conform to this schedule and are lower.

We prorate the annual fee and charge it quarterly, in arrears, based upon the market value of the average daily account balance for each day of that quarter, including accrued interest and dividends. Since the asset-based fee is determined by the average daily account balance, assets that are deposited into or withdrawn from an account after the inception of a quarter (and for assets managed in the initial quarter), are billed on a pro rata basis. Advisory fees on investments in hedge funds and private equity funds held in or reflected on the statements of brokerage custodians we recommend will be billed quarterly, in arrears, based on the average daily value, in accordance with the valuation methodology outlined on the following page in the section titled "Valuation of Hedge Funds and Private Equity Funds for Billing Purposes."

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For Held Away Assets, which includes hedge fund or private equity positions held in, or reflected on the statements of, custodial brokerage accounts outside of brokerage custodians we recommend, we will charge an annual fee (which is pro-rated and billed quarterly, based on a 360-day calendar, in advance) based upon the value of the assets in the account at the close of business on the last day of the previous quarter. Upon termination of an account holding Held Away Assets, we refund prepaid fees due to the client on a prorated share based on the remaining days of the 90 day period.

### *Account Value Calculation for Billing Purposes; Trade Date versus Settlement Date, and Accrued Interest and Dividends*

Through our account aggregation and portfolio accounting software provider, we receive a daily data feed from each custodian, which includes daily positions, transactions, and asset values. The value we use to calculate advisory fees can differ from the net value shown on the brokerage statement the custodian of a client's assets provides. There are two primary reasons for these values to differ:

- 1) Trade Date versus Settlement Date – The brokerage statements most custodians provide value all securities and cash balances based upon trades not being completed until settlement date (when the money is due), while the value we use for billing is derived from our account aggregation and portfolio accounting software, which values all securities and cash balances based upon trade date (initiation of cost basis for performance and tax reporting purposes). For example, if a recent buy in an account has executed, but not yet settled at quarter-end, the trade will still show as a cash position on the brokerage statement the custodian provides. In contrast we will use the purchased security and value for performance and billing calculations.
- 2) Accrued Interest and Dividends – We include accrued interest and dividends in calculating the daily value of assets in accounts on which we serve as advisor. This may differ from the value reflected in statements the custodian provides, as most custodians do not include the value of accrued interest and dividends; rather, most custodians use a cash accounting method wherein dividend and interest income is not accounted for until paid.

We calculate advisory fees in a standardized manner, which reflects the initiation and disposition of securities, accrued interest and dividends, and flows into and out of an account as well as the timing of these flows.

### *Valuation of Hedge Funds and Private Equity Funds for Billing Purposes*

Portfolios we manage and advise on sometimes include investments in hedge funds and private equity funds that custodian brokerage statements do not reflect (i.e., the fund sponsor sends statements to the client). For billing valuation purposes, we use the most recent valuation the manager of the fund provides, plus any net contributions to the fund since the most recent valuation the fund manager provides. The value provided for a certain investment will be the fund manager's estimate and not the liquidation value of the investment.

In instances where custodian statements include hedge funds or private equity funds and where the data feed we receive from the custodian includes these positions, we rely on the data the clients' custodian or record keeper provides, via a data feed to our portfolio accounting software provider, in computing the billing valuation of a private equity fund or hedge fund position. We determine the billing methodology (i.e., whether in arrears or in advance) based on whether the account is held at brokerage custodians we recommend (billed in arrears based on average daily value) or Held Away (billed in advance, as discussed above). Investments in hedge funds and private equity funds that custodian brokerage statements do not reflect (i.e., the fund sponsor sends statements to the client) are billed in arrears based on average daily value during the period.



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### *Valuation of Direct Investments in Private Companies*

Pursuant to a written agreement, we advise on direct investments in private companies. We do not attempt to value these investments or determine a fair value. Rather, for billing and performance reporting purposes, we will value the assets at cost, until the private company obtains a valuation statement from an accredited accounting firm or investment bank, or until the company successfully raises follow-on capital at an updated valuation.

### *Assets excluded from billing: "Funding/Self-Directed" accounts and "Managed" accounts*

At the inception of a client relationship, we often open two accounts for a client, one of which is classified as the "Funding/Self-Directed" account, and the other of which is classified as the "Managed" account. The "Funding/Self-Directed" account is intended to hold a client's self-directed trades (i.e., trades that the client instructs us to make, that are directed by the client and not expressly recommended by us). Additionally, we may, at our sole discretion, agree to hold specific cash balances in the "Funding/Self-Directed" account where the client has expressly requested that we maintain a specific amount in cash or cash equivalents, for a specified period of time, for the purpose of funding the client's upcoming cash need or large capital expenditures. We may, at our sole discretion, use the "Funding" account to segregate legacy concentrated stock positions we inherit from the client's prior brokerage firm, where the client has specifically requested that their account retain and not sell these positions. The balances within this account we exclude from billing.

Notwithstanding the above paragraph, Element Pointe views and treats cash as an asset class, and newly-deposited cash will be placed in a "Managed" account unless otherwise agreed to by Element Pointe. We regularly evaluate and analyze cash equivalent products and securities in an effort to preserve capital, enhance yield, and preserve buying power within clients' portfolios. Furthermore, at any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Element Pointe may maintain large cash positions in "Managed" accounts for defensive purposes. As such, the "Managed" account holds investment assets, which includes cash, money market funds, or cash equivalents that are part of the overall investment portfolio and strategy, and the account balances of a "Managed" account are included in billing. Depending upon current yields, at any point in time, Element Pointe's advisory fee could exceed the interest paid by the client's money market fund or cash equivalent instrument.

### *Family Office Advisory Services Fees*

Our fee for family office services is determined on a case-by-case basis, based on our assessment of the scope of work, complexity, overall relationship size, and potential for future revenue. In some instances, we may choose to provide family office services for no additional fee beyond the fee paid to us for investment management. This practice creates a conflict of interest because some family office clients will pay more than other clients will for our services. To mitigate this conflict, we make clients aware of this conflict herein to assure they are aware of this conflict prior to engagement of our services.

### *Financial Planning and Consulting Fees*

We determine our fee for financial planning on a case-by-case basis, but generally the fee ranges from \$3,500 to \$10,000 on a fixed fee basis, although we can waive the fee at our discretion. For consulting engagements, our fees are determined on a case-by-case basis, based on the scope of work to be performed. We base our fees on the level and scope of the services we provide and consider other factors such as the client's specific needs and circumstances and whether other professionals are needed to render the services being offered. Upon presentation of a completed financial plan to the client, we will deliver an

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invoice reflecting the fees owed for services. For consulting services, the fee is negotiated based on the scope of the engagement and the client is required to pay us at the time of consultation or subject to a payment schedule for ongoing consulting engagements.

### *Affiliated Private Fund Fees and Expenses*

Investors in an affiliated private fund will pay operating and organizational fees and performance based fees to the general partner as compensation for services. Specific details are set forth in the private fund's offering documents. This practice presents a conflict of interest and gives us an incentive to recommend an affiliate private fund based on the compensation the Element Pointe organization receives overall, rather than on a client's needs. To address this conflict, in addition to disclosing it to clients, we do not charge investment management fees on client assets invested in an affiliated private fund. Clients have no obligation to invest in a private fund we manage.

### *Performance-Based Fees*

We do not charge performance-based fees for Investment Management, Financial Planning, Consulting, Family Office Advisory Services, or Retirement Plan Advisory Services.

For client investments in private funds we manage, our affiliate serving as general partner will earn performance based compensation, which is compensation that is based on a share of realized profits of the affiliated private fund's assets. The performance-based compensation is set forth in the affiliated private fund's offering documents. We have a financial incentive to allocate client assets to an affiliated private fund rather than investment products managed by nonaffiliated firms, in that it creates the opportunity to receive performance based fees that are higher than annual wealth management fees. We do not charge investment management fees on clients' assets invested in an affiliated private fund to mitigate this conflict.

### *Fee Discretion*

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Arrangements to charge a lesser fee to a particular client can differ from the fee charged to another. The fees we charge for our various advisory services are negotiable at our sole discretion. This includes fees for asset management services we provide with respect to certain client holdings (e.g., Held Away Assets, accommodation accounts, alternative investments, etc.). We can choose to lower or waive advisory fees or aggregate accounts for purposes of calculating billable portfolio values for several reasons, including: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities. This is a conflict of interest in that some clients will pay more than other clients for our services. To mitigate this conflict, we make clients aware of this difference herein to assure they are aware of this conflict prior to engagement of our services.

Performance-based compensation charged in connection with a client's investment in an affiliated private fund is not negotiable.

### *Additional Fees and Expenses*

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In addition to the advisory fees they pay to us, clients will also incur charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, Independent Managers, private investment issuers (private equity funds, hedge funds, or direct investments), other financial institutions, and third-party plan administrators ("TPA"). These additional charges

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include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers and TPAs, margin costs, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Although we attempt to negotiate similar fees for our clients among the broker-dealer custodians that we recommend, fees are not consistent among custodians, are subject to change, and are subject to the amount of assets our clients maintain with a specific custodian. As a result, clients can pay more or less than other clients for similar services. The minimum amount of client assets that brokerage custodians we recommend require us to maintain are described in Item 12, below.

When investing in ETFs, mutual funds, private equity funds, or hedge funds ("fund") a client will bear the proportionate share of fees and expenses as an investor. The client does not pay these fees directly; rather they are deducted from the fund's assets and will affect the performance of the investment. Charges imposed directly by a fund in a client's account are disclosed in the fund's prospectus or offering documents. We do not receive any portion of these fees. These fees are in addition to the advisory fees we charge. Our brokerage practices are described at length in Item 12, below.

Unlike mutual funds and ETFs, stocks do not have underlying fees. Investing in stocks can result in a lower overall cost than investing in mutual funds or ETFs. Although the custodian makes stocks available in a client's account for investment, the portion of an account that are not invested in stocks can incur a higher cost of investment that can impact the overall performance of the account.

An affiliated private fund investor is responsible to pay their share of fund operational and organizational expenses, including legal, accounting, auditing, and other professional expenses, which are set forth in the fund's offering documents.

### Direct Fee Debit

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Clients provide us and/or Independent Managers with the authority to directly debit their accounts for payment of investment advisory fees. The brokerage custodians that act as the qualified custodians for client accounts, from which we retain the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to us.

### Use of Margin

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We generally do not use margin in the management of clients' investment portfolios. If a client specifically requests that we use margin for leveraged investing in securities, we may consent to the use of margin for leveraged investing, in our sole discretion, after careful review of the client's financial situation, investment experience, and risk tolerance. In these cases, we will assess the fee payable on the total market value of the client's account, gross of margin.

Some clients choose to pledge assets held in an account we manage as collateral for a margin or bank loan used for outside investments, spending, or other needs unrelated to assets we manage. In these cases, we will assess the fee payable on the total market value of the client's account, gross of margin.

### Account Additions and Withdrawals

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Clients may make additions to and withdrawals from their account at any time, subject to our right to terminate an account. Additions may be in cash or securities provided that we reserve the right to liquidate any transferred securities or decline to

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accept particular securities into a client's account. Clients may withdraw account assets on notice to us, subject to the usual and customary securities settlement procedures. However, we generally design our portfolios as long-term investments and the withdrawal of assets can impair the achievement of a client's investment objectives. We consults with clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they can be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

### Item 6. Performance-Based Fees and Side-by-Side Management

We do not assess performance-based fees for Investment Management, Financial Planning, Consulting, Family Office Advisory Services or Retirement Plan Advisory Services.

For a client investment in an affiliated private fund, our affiliate that serves as general partner will earn performance-based compensation, which is compensation that is based on a share of capital appreciation of the private fund's assets. *See* Item 5 above regarding conflicts associated with this arrangement.

### Item 7. Types of Clients

We offer services to individuals, trusts, estates, charitable organizations, corporations, business entities, trustees or other fiduciaries to retirement plans subject to ERISA, and private funds organized by our affiliate.

When we provide investment advice to you regarding your retirement plan or individual retirement account, we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with retirement clients' interests, so we operate under a special rule that requires us to act in retirement clients' best interests and not put our interest ahead of them.

Under this regulation's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Not put our financial interests ahead of a retirement client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in a retirement client's best interest;
- Charge no more than is reasonable for our services; and
- Give a retirement client basic information about conflicts of interest.

We have an economic incentive to encourage a client to rollover a retirement plan or IRA into an IRA we manage. This arrangement creates a conflict of interest in that it creates an incentive for us to recommend that a client rollover their account for advisory services rather than retaining it with an unaffiliated third party. For this reason, as a matter of policy, we do not solicit retirement account relationships. The retirement accounts that we manage are limited to those where a client for whom we are managing other non-retirement accounts specifically requests to move their retirement account to us for the purpose of consolidating providers, and where we agree to accommodate the client's request.

### Minimum Account Value

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As a condition for starting and maintaining an investment management relationship, we impose a minimum portfolio value of \$15,000,000. In our sole discretion, we can accept clients with smaller portfolios based upon criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. We only accept clients with less than the minimum portfolio size if we determine the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. For certain client relationships and at our discretion, we aggregate the portfolios of family members to meet the minimum portfolio size for the relationship.

Client investors in an affiliated private fund must meet the investment requirements set forth in the affiliated private fund's offering documents.

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

### Methods of Analysis and Investment Strategies

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We believe that a portfolio should be diversified across asset classes as well as geographies. Numerous academic studies have found that diversification across global asset classes, often referred to as "asset allocation," is the main driver of the variability of portfolio returns over the long-term. It is therefore important to formulate an asset allocation that will help to preserve and grow wealth over time, while also remaining consistent with an investor's goals, financial plans, and risk tolerance. We leverage our access to world-class research on economics, global equities, fixed income, and various other key asset classes to construct portfolios that address clients' overall goals.

The portfolio management process involves the selection of investments and Independent Managers for each of the asset classes within the portfolio. We favor a "core and satellite" approach, using low-fee index funds or beta exposure in large and efficient markets, while also complementing this core beta exposure with a portfolio of thematic ETFs, sector ETFs, and individual stocks, (note: clients' portfolios with lower account values, generally will not include individual stocks). Furthermore, we utilize active Independent Managers/investments for exposure to specific asset classes, geographies, sectors, or concentrated positions, where we believe that active management can add value.

While diversification is important, over-diversification and high fees can dampen a portfolio's long term return potential. Thus, we strive to be disciplined and efficient in the portfolio construction process. Furthermore, at times, asset classes can have wide deviations from what we believe is fair value. When we perceive that asset classes have become overvalued or undervalued, we aim to make tactical adjustments in clients' portfolios. We believe that these tactical adjustments can help to reduce risk and preserve capital over a market cycle. Although we believe in the importance of making shorter-term tactical adjustments around a strategic target, we do not believe in "all or nothing" market-timing (i.e., alternating between all-cash and all-equities). We believe in the importance of staying invested over the long-term and maintaining long-term exposure to equity and fixed income markets, and other select asset classes, with tactical adjustments as a complement to a long-term strategic allocation.

As previously mentioned, we use a "core and satellite" approach to managing U.S. equity allocations. We use low-cost index funds as the "core," broad-market exposure within equity portfolios. We then complement this core equity allocation with sector, thematic ETF over-weights, and individual stocks based on our views of the relative values of sectors and companies within the

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U.S. economy. These sector and thematic ETF and individual stock over-weights are primarily implemented through low-cost, sector-specific ETFs, actively managed mutual funds, alternative investments, and private investments. Additionally, we purchase individual company stocks, including American Depositary Receipts (“ADRs”) of non-U.S. companies, where we believe that a stock can meaningfully outperform the broad market over a five year time frame.

We utilize equity options and index options in the management of some clients’ portfolios. Prior to our execution of any option transaction in a client’s portfolio, the client will be required to sign a separate agreement with the custodian, authorizing the use of options in the client’s account.

### *The Element Pointe Approach*

We believe that the first step in providing meaningful advice is to have an in-depth understanding of the client. Once we have a true understanding the client’s needs and goals, we aim to take the following steps to create a customized wealth management plan:

- Review current balance sheet, investment portfolio, and estate plan
- Conduct quantitative and qualitative analysis of current portfolio
- Develop target allocations that align with the client’s goals
- Tailor target allocations to the client’s specific ownership structure and estate plan
- Select Independent Managers and investment vehicles based on research and due diligence
- Continuously monitor the portfolio, making tactical adjustments and rebalancing when appropriate
- Communicate regularly to keep the client informed about financial markets, their portfolio, and our views
- Meet regularly to review portfolio performance and address any changes to the client’s needs and goals

We strive to serve clients by maintaining a customized and disciplined approach, combined with the ability to be nimble when unique opportunities arise.

### Risk of Loss

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Investing in securities involves the risk of loss that clients should be prepared to bear. Some risks associated with investing and with some types of investments that we recommend for clients to invest are described below.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of our recommendations and/or investment decisions depends, to a great extent, upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that we will be able to predict those price movements accurately or capitalize on any such assumptions.

#### *Foreign Investment Risks*

Investing in securities issued by or that invest in non-U.S. companies entails risks that are not typically associated with investing in financial products sold in the U.S. Foreign investments are subject to additional risks including: exchange rate, currency control regulations, political and social instability, expropriation, imposition of foreign taxes (including withholding taxes), market liquidity, information availability, higher transaction costs, foreign government supervision, brokers and issuers, settlement, uncertainty

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in enforcing contractual obligations, accounting and auditing standards and price volatility. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S.

### *Concentration Risks*

An investment in a single issuer, geographic area, or sector involves the risk that an investment's value can be more volatile or perform differently from the overall market. Adverse developments in an issuer's business, geographic area, or sector could affect an investment value greater than one that is more diversified or loss of principal.

### *Mutual Funds and ETFs Risks*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). Mutual fund share prices and execution costs differ based on share class. The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares can differ significantly from the NAV during periods of market volatility, which, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies can cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder has no way to dispose of such shares.

### *Options Risks*

Trading options is highly speculative in nature and involves a high degree of risk. Options investing, either directly or indirectly through a fund's underlying investments, involves risks such as liquidity, interest rate, market, credit and the risk that a position could not be closed timely. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected so the investor loses their premium. Selling options involves the possibility of greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received, which could result in a potentially unlimited loss.

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### *Real Estate Investment Trusts Risks*

Investing in Real Estate Investment Trusts ("REITs") involves risks associated with investing in real estate, including, sensitivity to changes in real estate values, the risk of investment loss due to the use of leveraging and other speculative investment practices, interest rate risk, lack of liquidity, and performance volatility. REITs may not be liquid as there is no secondary trading market available. Although a REIT issuer may make repurchase offers from time to time, there is no guarantee that an investor can redeem during the repurchase offer and the issuer may repurchase shares at a price below net asset value and can suspend repurchases under certain circumstances.

### *Alternative Investments Risks*

Alternative investments, including funds that invest in alternative investments, can carry a higher degree of risk than traditional equity and fixed income investments. They involve a higher risk of loss, including complete loss of the investment, often charge high fees, and can be illiquid and volatile. Alternative investments often lack diversification, involve complex tax structures, and have delays in reporting important tax information.

### *Private Investments Risks*

Private investments carry a higher risk that you could lose all or a part of your investment. Other risks associated with investing in private investments include: 1) They are highly speculative investments; 2) they are difficult, if not impossible to sell or liquidate; 3) they are unregistered securities and regulators do not review them; 4) they can be more expensive than traditional investments; 5) issuer's representations are difficult to verify independently; and 6) they can have little or no diversification.

### *Use of Independent Managers Risks*

As stated above, we can select Independent Managers to manage a portion of our clients' assets. In these situations, we continue to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, we do not have the ability to supervise the Independent Managers on a day-to-day basis.

### *Margin Risks*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a financial institution, which is secured by a client's holdings. Under certain circumstances, a lending financial institution can demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the financial institution can liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates can have a significant effect on the profitability and stability of a client's portfolio.

### *Pledged Assets Risks*

Pledging assets in an account to secure a loan involves additional risks. The lender has the authority to liquidate all or part of the securities at any time without a client's prior notice in order to maintain required maintenance levels, or to call a loan at any time. As a practical matter, this could cause the sale of assets and realized losses in a declining market. The lender's collateral requirements can restrict our ability to make investment decisions or recommendations or forced liquidation, which could interfere



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with a client's investment goals and/or result in adverse tax consequences. The cost of loan interest and advisory fees could exceed investment returns.

### *Private Equity and Hedge Funds Risks*

Investing in private equity or hedge funds involves a high degree of risk. In addition to the risks inherent in the underlying investments, risks include limited diversification, no secondary market, and lack of liquidity. Expenses are typically higher than other investments and often include performance fees. The investment duration generally covers several years, limiting an investor's ability to take redemptions and they require ongoing investment commitments. It is possible to lose some or all of the investment.

### *Direct Investments Risks*

Investing in direct investments involves a high degree of risk including limited diversification, a limited secondary market, and lack of liquidity. The investment duration can cover several years and limit an investor's ability to withdraw funds. It is possible to lose some or all of the investment.

### *Pandemics and Other Public Health Crisis Risks*

Pandemics and other national or international health crises resulting in restrictions on travel or imposing quarantines could have a negative impact on the economy or investments. Such disruption, or the fear of such disruption, could have a significant and adverse impact on activity of all kinds including global economic production, credit and capital markets, labor force and operational disruptions, and the securities markets. Related impacts and disruptions can lead to increased market volatility or a significant market downturn, and have adverse long-term effects on world economies and markets generally.

### *Cybersecurity Risks*

Our information and technology systems and those of our key service providers are vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we and our service providers have implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, they could become inoperable for extended periods of time or cease to function properly. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

### *Digital Assets Risks*

We do not directly advise on or invest in cryptocurrencies (e.g. Bitcoin, Ether, etc.), decentralized application tokens and protocol tokens, blockchain-based assets and other cryptofinance and digital assets, or instruments for the purchase of such (collectively "digital assets"). We do recommend investments that invest in or engage in transactions related to digital assets. Digital assets represent a speculative investment and involve a higher degree of risk because of their limited adoption and acceptance and investor speculation increasing their volatility risk. Several factors affect the price of digital assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of digital assets or the use of digital assets as a form of payment.

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### *Tax Considerations*

The cost basis accounting method selected will affect the client's tax liability. Generally, the custodian's default accounting method for calculating the cost basis for investments is First-In First-Out (FIFO). Pursuant to our investment discretion authority and absent specific written instructions from the client to the custodian, we will select the cost basis we believe to be most tax efficient when executing trades, which can differ from the custodian's default method. We do not guarantee or represent that our selection will reduce, defer, or eliminate a client's tax liability or that any particular tax consequence will be obtained. Clients should consult with their tax professionals regarding their particular circumstances. Clients are responsible for advising us and their custodians if they choose to select a specific cost basis accounting method.

A client can incur taxes as a result of our actions in connection with managing their account or through underlying investments. For example, our decision to buy or sell securities to allocate a client's account to a chosen strategy or portfolio could result in tax liabilities. We attempt to consider general tax implications when we make investment decisions, however, because investment decisions are based on a variety of other factors, decisions can result in less tax-efficiency or undesirable tax consequences to a client. We do not offer tax advice and encourage clients to consult with their accounting or tax professionals regarding their specific situations.

## **Item 9. Disciplinary Information**

We have not been involved in any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

In addition to providing clients investment management services, we also manage Element Pointe Deep Access Fund, LP, a private fund that our affiliate, Element Pointe Deep Access GP, LLC, serves as general partner. We may organize and manage other private funds in the future. Affiliated private funds may employ the same or similar investment strategies. As a result, we have a conflict of interest in allocating management time, services, and functions among these commitments and we are not obligated to devote any specific amount of time to them.

An affiliated private fund's general partner will receive performance fees as compensation for its services to the affiliated private fund. As discussed in Item 5 above, this relationship creates a conflict of interest in that it creates an incentive for us to recommend an affiliated private fund investment rather than an investment managed by a third party in that the Element Pointe organization will receive higher overall compensation. The steps we take to address this conflict is set forth in Item 5 above and in the affiliated private fund's governing documents.

## **Item 11. Code of Ethics**

We have adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of our Supervised Persons. Our Code of Ethics contains written policies reasonably designed to prevent unlawful practices such as our use of material non-public information and trading of the same of securities ahead of clients to take advantage of pending orders.

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The Code of Ethics also requires our personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). We permit Supervised Persons to buy or sell securities that we also recommend to clients. It is also possible that a Supervised Person could take an action with respect to a security investment that is different from that we take with respect to clients. In either case, we permit these transactions if done in a fair and equitable manner that is consistent with our policies and procedures. We have established this Code of Ethics recognizing that some securities trade in sufficiently broad markets to permit Supervised Persons to complete transactions without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, we make exceptions to the policies stated below.

When we are engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Supervised Persons can make personal investments in private securities we recommend, including securities that a client rejects, or in securities that we review but determine are not appropriate for recommending clients invest in due to investment objectives and financial and risk profiles, or an investment not meeting our due diligence standards. This represents a conflict of interest in that Supervised Persons will benefit from the evaluation, investigation, and due diligence we undertake on behalf of our clients, which could result in favorable investment performance. Supervised Persons may not receive favorable investment terms relative to other client investors in private securities we recommend.

Clients and prospective clients may contact us at the telephone number listed on the cover of this Disclosure Brochure to request a copy of our Code of Ethics.

As a result of our role as an investment adviser to clients, as well as affiliate private funds we recommend to clients, some clients have multiple business relationships with us and our affiliates. Although we believe that these activities offer opportunities and services that are beneficial to our clients, such activities raise potential conflicts of interest. Namely, that we and our affiliates can receive greater compensation or greater profit if a client avails itself of the various services and investments offered rather than services or investments offered by an unaffiliated third party.

### *Principal Transactions In Connection With the Organization of an Affiliated Private Fund*

Subject to the terms of the governing documents of the relevant client account, an affiliated private fund may enter into "principal transactions" with a client account within the meaning of Section 206(3) of the Advisers Act in which our affiliate acts as principal for our own account with respect to the sale of a security or other asset to, or purchase of a security or other asset from, such client account. Principal transactions will be completed in compliance with applicable law and the terms of the

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governing documents of the relevant client account. In connection with such transactions, we will have a conflict between acting in the best interests of a client account and assisting itself or our affiliates by selling or purchasing a particular security.

### Item 12. Brokerage Practices

#### Recommendation of Broker-Dealers for Client Transactions

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We recommend that clients utilize the custody, brokerage and clearing services of Fidelity Investments clearing through National Financial Services, LLC and Fidelity Brokerage Services LLC ("Fidelity") or Charles Schwab & Co., Inc. ("Schwab") for investment management accounts. Factors that we consider in recommending Fidelity, Schwab, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, offerings and service. Fidelity and Schwab enable us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees Fidelity or Schwab charges may be higher or lower than the other or those other financial institutions charge.

The commissions our clients pay to Fidelity and Schwab comply with our duty to obtain "best execution." Clients can pay commissions that are higher than another brokerage custodians might charge to effect the same transaction where we determine that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. We seek competitive rates but do not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom we and our custodians have entered into agreements for prime brokerage clearing services. In addition, clients may give us the ability to trade securities in accounts held with broker-dealers with whom we do not have an advisory relationship. Should an account make use of these type of relationships, the client may be required to sign an additional agreement, and additional fees are likely to be charged by the custodian or broker-dealer.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services, which assist us in our investment decision-making process. We will also obtain research through attendance at conferences and seminars, meetings, and other educational and/or social events. Such research will be used to service all our clients, but brokerage commissions or compensation paid by one client can be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because we do not have to produce or pay for the products or services.

We periodically and systematically review our policies and procedures regarding our recommendation of brokerage custodians in light of our duty to obtain best execution.

#### Software and Support Provided by Financial Institutions

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We receive without cost from Fidelity and Schwab computer software and related systems support, which allow us to better monitor client accounts maintained at the respective custodian. We receive the software and related support without cost

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because we render investment management services to clients that maintain assets at Fidelity or Schwab. The software and support are not provided in connection with securities transactions of clients (i.e., not “soft dollars”).

The software and related systems support benefits us, but not our clients directly. Clients should be aware, however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another that does not furnish similar software, systems support or services.

Specifically, we receive the following benefits from Fidelity and Schwab:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services their institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information; and
- Access to speakers to present at our hosted client events.

The availability of these services benefit us because we do not have to produce or purchase them. We mitigate this conflict of interest by disclosing it to clients and reviewing for best execution on a periodic basis.

Fidelity waives its fee for providing connectivity between our trade order management system and Fidelity’s custodial and trading platform. Customarily, Fidelity charges investment advisers approximately \$9,000 annually for this connectivity. By waiving this charge, we have an incentive to recommend that clients maintain accounts with Fidelity based on our interest in receiving this benefit for our business rather than based on clients’ interests in receiving the best value in custody services and the most favorable execution of their transactions. This is a conflict of interest. We believe, however, that our selection of Fidelity as custodian and broker-dealer is in the best interests of the clients we recommend to utilize Fidelity as custodian. It is primarily supported by the scope, quality and price of Fidelity’s services based on the factors discussed above and not Fidelity’s services that benefit only us.

A custodian can place conditions on the continuing availability of these services. Currently, we do not have to pay for Schwab’s services. Generally, an adviser must maintain a minimum amount of client assets in accounts at Schwab in order to retain its services without cost to the adviser. Although Schwab has indicated it can require us to have at least \$200 million of client assets in accounts, currently it is not enforcing this requirement. Because Schwab can impose this requirement at any time in the future, we have an incentive to recommend that clients maintain accounts with Schwab based on our interest in receiving Schwab’s services that benefit our business rather than based on clients’ interests in receiving the best value in custody services and the most favorable execution of their transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian and broker-dealer is in the best interests of the clients we recommend to utilize Schwab as custodian. It is primarily supported by the scope, quality and price of Schwab’s services based on the factors discussed above and not Schwab’s services that benefit only us.

We receive, without cost, economic and financial markets research from financial institutions, including broker-dealers and asset managers, which assists us in formulating our investment thesis, market views, and individual stock selections. Additionally,

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financial institutions provide speakers for our client events. We receive this institutional research and access to speakers without cost because these financial institutions offer funds or investment products and services they want us to recommend our clients invest. Clients should be aware that our receipt of institutional research and speakers from financial institutions creates a conflict of interest as these benefits can influence our choice of funds or investment products.

Specifically, we currently receive access to the following research and analysis:

- Baron Funds
- Baillie Gifford
- BlackRock
- The Blackstone Group
- Breckinridge
- CAIS
- The Carlyle Group
- Cliffwater
- Columbia
- Deutsche Bank
- DoubleLine
- Fidelity
- Goldman Sachs Global Investment Research
- Guggenheim
- iCapital
- Invesco
- JP Morgan Markets
- Kohlberg Kravis Roberts & Co. L.P. (KKR)
- Nuveen
- PIMCO
- RCP
- Vanguard

This research is not provided in connection with clients' securities transactions (i.e., not "soft dollars"). We make an updated version of this list available upon request, as it changes from time to time.

We also obtain research through attendance at conferences and seminars, one-on-one meetings where meals are provided or paid for by the financial institutions, and other educational and/or social events, which financial institutions host or sponsor. This creates a conflict of interest because these benefits can influence our choice of funds or investment products and services. We have adopted policies and procedures designed to mitigate and manage these conflicts of interest.

### Brokerage for Client Referrals

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We do not consider, in selecting or recommending brokerage custodians, whether we receive client referrals from the financial institutions or other third parties.

### Directed Brokerage

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The client may direct us in writing to use a particular broker-dealer to execute some or all transactions for the client. This includes the Held Away Assets. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer and we will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts we manage (as described below). As a result, the client can pay higher commissions or other transaction costs, greater spreads or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### Trade Aggregation

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Transactions for each client will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our Supervised Persons invest, we do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. We do not receive any additional compensation or remuneration as a result of the aggregation.

In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which can include: (i) when only a small percentage of the order is executed, shares can be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations can be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares can be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations can be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we can exclude the account(s) from the allocation; the transactions can be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares can be allocated to one or more accounts on a random basis.

We can only aggregate transactions by custodian, which can result in the price clients with accounts at one custodian receive for a trade to differ from the price for the same trade placed with another.

### Trading Errors

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If we place a trade in error, we will generally seek to correct the error and place the client in the position they would have been, had the error not occurred. If a trading error results in a profit, we will retain the profit to offset any losses that occur from future trade errors, or will allocate it to a charity.

## Item 13. Review of Accounts

### Account Reviews

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We monitor client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Our Principals conduct such reviews. All investment advisory clients are encouraged to discuss their needs, goals and objectives with us and to keep us informed of any changes thereto. We contact ongoing investment advisory clients at least annually to review our previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular account statements directly from the financial institutions where their assets are custodied or the issuer (in the case of private investments). From time-to-time or as otherwise requested, clients may also receive written or electronic reports from us and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from us or an outside service provider.

The value reflected in reports we provide can differ from the net value shown on the brokerage statement the custodian provides of the client's assets. There are two primary reasons for these values to differ:

- 1) Trade Date versus Settlement Date – The brokerage statements provided by most custodians value all securities and cash balances based upon trades not being completed until settlement date (when the money is due), while our account aggregation and portfolio accounting software values all securities and cash balances based upon trade date (initiation of cost basis for performance and tax reporting purposes). For example, if a recent buy in an account has executed, but not yet settled at quarter-end, the trade will still show as a cash position on the brokerage statement provided by the custodian. In contrast, the purchased security, and value, will be used for reporting performance and billing calculations.
- 2) Accrued Interest and Dividends – We include accrued interest and dividends in calculating the daily value of assets in accounts on which we serve as advisor. This may differ from the value reflected in statements provided by the custodian, as most custodians do not include the value of accrues interest and dividends; rather, most custodians use a cash accounting method wherein dividend and interest income is not accounted for until paid.

Performance reporting is calculated in a standardized manner, which reflects the initiation and disposition of securities, accrued interest and dividends, and flows into and out of an account as well as the timing of these flows.

Through our account aggregation and portfolio accounting software provider, we receive a daily data feed from each brokerage custodian, which includes the daily positions, transactions, and asset values. We rely on the data provided by the client's custodian or record keeper, via a data feed to our portfolio accounting software provider, in computing performance. Performance reports we provide are not intended to be a substitute for financial statements issued by the custodian of the client's assets and should not be relied upon as such.

#### *Valuation of Hedge Funds and Private Equity Funds for Performance Reporting Purposes*

Portfolios we manage and advise sometimes include investments in hedge funds and private equity funds. For reporting and performance calculation purposes, we use the most recent valuation provided by the manager of the fund, plus any net contributions to the fund since the most recent valuation the fund manager provides. The value provided for a certain investment will be the fund manager's estimate and may not be the liquidation value of the investment.

We rely on the data the clients' custodian or record keeper provides via a data feed to our portfolio accounting software provider in computing the performance of a private equity fund or hedge fund position.



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### *Valuation of Direct Investments in Private Companies*

We advise on direct investments in private companies. We do not attempt to value these investments or determine a fair value. Rather, for billing and performance reporting purposes, we will value the assets at-cost, until such time as the private company obtains a valuation statement from an accredited accounting firm or investment bank, or until such time as the company successfully raises follow-on capital at an updated valuation.

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

We do not provide cash compensation to any third-party solicitors for client referrals. However, we do provide complimentary meals, entertainment, or client appreciation events to individuals, including current clients, who refer prospective clients to us. The SEC, under its rule governing investment adviser marketing, considers this practice indirect compensation. Indirect compensation creates a conflict of interest so the referral could be biased. Finally, the experience of the person who made the referral may not be representative of any other person's experience with our firm.

We also compensate employees for client solicitations or referrals. Any such referral fee is paid solely from our investment advisory fee and does not result in any additional charge to the client. Our financial professionals receive salary and bonus compensation based, in part, on the amount of client assets they generate and revenue we earn from advisory services. They have an incentive to encourage investors to engage us to provide investment advisory services because the more fees that clients pay can increase their compensation.

We and our affiliates and employees, have an incentive to recommend affiliated private funds that we manage in order to receive additional or higher potential compensation. We receive this compensation indirectly through fees earned by our affiliates.

Our affiliates and employees invest in affiliate private funds we manage. To avoid a conflict of interest, they are placed on equal footing with the affiliate private fund's investors.

## **Item 15. Custody**

### *Deduction of Fees*

We have custody of clients' funds to the extent that we have the ability to deduct fees from clients' accounts. The wealth management agreement and/or the separate agreement with any financial institution generally authorizes us and/or the Independent Managers to debit client accounts for payment of our fees and to directly remit those funds to us in accordance with applicable custody rules. The financial institutions that act as qualified custodians for client accounts, from which we retain the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to us.

In addition, as discussed in Item 13, we also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the financial institutions and compare them to those received from us.

### *Standing Letters of Authorization*

We are deemed to have custody when clients authorize us, via standing letters of instruction, to direct funds to third-parties from their custodial accounts. In connection with standing letters of instruction, a client must provide signed written instruction

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to the custodian to direct transfers to a third party, which the client may instruct the custodian to terminate or change at any time. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction. The custodian will verify the instruction with an initial notice, provide the client with a transfer of funds notice promptly after each transfer, and an annual notice reconfirming the instruction. We and our employees may not accept funds in connection with standing letters of instruction, nor may funds be delivered to locations where we conduct business.

### *Affiliate Private Funds*

We have custody of client funds invested in private funds that our affiliate serves as general partner. Clients invested in an affiliate private fund will receive annual, audited financial statements within 120 days from the fund's fiscal year end. If an affiliate private fund investor does not receive audited financial statements in a timely manner (120 days), they should contact us immediately.

## Item 16. Investment Discretion

Generally, we have investment discretion over a client's account if we can effect and/or direct transactions in client accounts without first seeking their consent. We are given this authority through a power-of-attorney included in the wealth management agreement between the client and us. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). We take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer that executes trades (in the case of a prime brokerage relationship); and
- The Independent Managers to be hired or fired.

## Item 17. Voting Client Securities

*For Investment Management, Financial Planning, Consulting, Family Office Advisory Services or Retirement Plan Advisory Services Accounts*

We do not vote proxies nor monitor or act on security class actions on behalf of client securities, unless otherwise instructed and accepted by us (see below). Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities they beneficially own will be voted, and (ii) making all elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings, corporate actions, or other types of events pertaining to the client's investments.

Where Independent Managers manage all or a portion of a client's portfolio, each Independent Manager's written disclosure documents will address its proxy voting responsibility for the portion of the portfolio that the respective Independent Manager is responsible for managing.

We do not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies

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and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and do not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

### *For Affiliate Private Funds and Instructed Accounts*

Where a client has directed us to vote proxies ("Proxy Clients"), e.g. a private fund we manage or adviser directed trust, we have or our affiliate has the authority to vote corporate proxies on their behalf. We have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (i) to vote proxies, consistent with our fiduciary obligations, in the best interests of the Proxy Client; and (ii) to prevent conflicts of interest from influencing proxy voting decisions made on our behalf. Nevertheless, when we cast votes in accordance with our policies and procedures, actual proxy voting decisions made on behalf of a Proxy Client can have the effect of favoring or harming the interests of our other clients.

Absent special circumstances, which are described in our Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in our Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Proxy Clients, including affiliate private fund investor clients, may contact us to request information about how we voted proxies for their investments, or to get a copy of our Proxy Voting Policies and Procedures. A brief summary of our Proxy Voting Policies and Procedures is as follows:

- We have formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of Proxy Clients, and ensuring that we submit proxies in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to our then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; and corporate and policy issues.
- Although the Proxy Voting Committee follows the Proxy Voting Guidelines as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, we devote an appropriate amount of time and resources to monitor these changes.
- Affiliate private funds investor clients cannot direct our vote on a particular solicitation and cannot revoke our authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that we maintain with persons having an interest in the outcome of certain votes, we take appropriate steps to ensure that our proxy voting decisions are made in the best interest of the Proxy Clients and are not the product of such conflict.

## Item 18. Financial Information

We are not required to disclose any financial information due to the following:

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- We do not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- We do not have a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients; and
- We have not been the subject of a bankruptcy petition at any time during the past ten years.