

Form ADV Part 2A: Firm Brochure August 2023



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Kirkland, WA 98033**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Elite Wealth Management, Inc. (“Elite” or the “Firm”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (425) 828-4300 or by email at info@elitewm.com. You may also visit our website at www.elitewm.com.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Elite is a registered investment adviser. Registration of an investment adviser does not imply that Elite or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Elite is also available on the SEC’s website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 132122.

Item 2 - Material Changes

There have been two material changes to Elite Wealth Management, Inc's Form ADV Part 2A since its last Annual Amendment that was filed in February 2023.

- Item 4.A. (page 4) – Ali R M Dadgar is now the Chief Executive Officer and sole owner of Elite Wealth Management, Inc.
- Item 5.A. (page 8) – Lattice Capital Management, LLC's funds changed their respective management fees to 1.50% per year.

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Item 4 - Advisory Business

A. Firm Information

Elite Wealth Management, Inc. (“Elite” or the “Firm”) is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Elite is located in the State of Washington and organized as a corporation under the laws of Washington in 2004. Ali R M Dadgar is the Chief Executive Officer and sole owner of Elite. This Disclosure Brochure provides information regarding the advisory services and business practices provided by Elite.

B. Advisory Services Offered

Elite offers investment advisory services to individuals, high net worth individuals (“Clients”) and other investment advisers / financial services firms.

Elite consults with Clients who enter into an Account Management Agreement initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the Clients’ investment needs. Elite integrates a Client’s goals and objectives using assumptions provided by the Client in order to develop the Client’s investment plan. Clients complete an investor questionnaire as part of this process. Elite bases its recommendations on the information provided by the Client.

Clients are advised to promptly notify Elite if there are changes to their financial situation or investment objectives or if they wish to impose reasonable restrictions upon Elite’s investment advisory services. Any such restrictions must be memorialized in writing and incorporated into the Client’s investment policy documentation.

Clients are generally provided a written plan that includes a personal balance sheet. All reports, financial statement projections, and analyses are intended exclusively for use in connection with developing and periodically reviewing, in the context of a Client’s assets and liabilities, the portion that is invested with Elite. In view of this limited purpose, such information should not be considered complete financial statements.

Once Clients establish an account, management of the account is based on an interactive process. Depending upon the needs of the Client, each Client is encouraged to meet with Elite at least quarterly, semi-annually, or annually.

Investment Management Services

Elite manages several investment strategies as listed below. Elite will work with each Client to determine their investment goals and risk tolerance and develop a portfolio that includes one or more of the Firm’s strategies. Elite may customize the Client’s investment portfolio depending on the Client’s needs. Elite’s strategies invest in exchange-traded funds (“ETFs”), individual equity securities, alternative investments, and options. Elite may also employ other types of investments consistent with the mandate for each strategy.

Investment Strategies:

- Dynamic Option Overlay Strategy
- Tactical Long/Short Strategy
- Core Select Strategy
- Core All Cap Strategy
- Global Strategy

As appropriate considering a Client's investment objectives, Elite may recommend investing in the private investment funds managed by Lattice Capital Management LLC (the "Lattice Funds"). Lattice Capital Management LLC ("Lattice") is an SEC-registered investment adviser that is affiliated with Elite by control and operations. Please see Item 10 for more information as well as Lattice's ADV Part 2A – Disclosure Brochure. Information regarding the strategies, risks, fees, and expenses of the Lattice Funds, as well as other pertinent information is in each Fund's Private Placement Memorandum, Limited Partnership Agreement, and Subscription Documents.

Model Portfolios / White Labeling

Elite has entered into arrangements with other independent third-party managers permitting them to "White-Label" (or re-brand) Elite's investment strategies. Such services are typically based on Elite's delivery of a model portfolio. Elite's fees for such arrangements depends on the selected strategies (see Item 5: Fees & Compensation section for details).

C. Client Account Management

Prior to engaging Elite to provide investment management services, each Client is required to enter into an Account Management Agreement with Elite that defines the terms, conditions, authority and responsibilities of Elite and the Client.

These services may include:

- Asset Allocation – Elite will develop or select an existing strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation, and tolerance for risk for each Client. Generally, Clients may not impose restrictions on investing in certain securities or types of securities
- Portfolio Construction – Elite will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client or utilize one or more of Elite's strategies.
- Investment Management and Supervision – Elite will provide investment management and ongoing oversight of the Client's portfolio and overall account.

D. Wrap Fee Programs

Elite does not manage or invest Client assets in wrap fee programs.

E. Assets Under Management

Elite's assets under management include the value of Client investments in the Lattice Funds. Elite recommends investments in the Lattice Funds based on a Client's financial circumstances and investment objectives and will coordinate the purchase or sale if the recommendation is approved by the Client. Elite continually evaluates Client investments in the Lattice Funds and recommends appropriate allocation changes based on changes to a Client's financial circumstances and investment objectives. Such assets, however, are not included in the value of Client accounts for purposes of calculating Elite's management fee.

As of December 31, 2022, Elite managed the following assets:

Assets Under Management	
Discretionary Assets	\$741,323,884
Non-Discretionary Assets	\$853,067
Total	\$742,176,951

Clients may contact Elite at any time to request more current information.

Item 5 – Fees and Compensation

A. Fees for Advisory Services

For separately managed account Clients that have entered into an Account Management Agreement with Elite (“Direct Clients”), Elite develops a Client’s goals and objectives based on information provided by the Client. Typically, Direct Clients complete an in-depth risk tolerance questionnaire as part of the discovery and onboarding process. Based on, among other things, information provided by the Client, Elite develops recommendations to accomplish the Client’s goals.

Investment Management Services

Direct Clients

Elite provides investment management services on a fee-only basis. Elite’s standard investment management fee is 1.00% of the Client’s assets under management. As described below in response to Item 12 – Brokerage Services, Elite recommends that Direct Clients utilize the custody and brokerage services of Charles Schwab & Co, Inc. (“Schwab”) or Interactive Brokers (“IB”). For accounts at Schwab, Elite’s management fee is paid quarterly, in advance, based on the value of the Client’s account on the last business day of the prior quarter. Management fees are prorated to account for contributions and withdrawals during the quarter. For accounts at IB, Elite’s management fee is calculated and accrued by IB daily and Elite can withdraw such fees at any time after IB posts them to the Client’s account. Because IB calculates Elite’s management fee daily, contributions/withdrawals are, by nature of the daily calculation, prorated based on any cash flows during the period.

Fees are negotiable in Elite’s sole discretion and Elite may take a Client’s aggregate assets under management with Elite (including assets invested in the Lattice Funds) into consideration when determining the Client’s management fee.

The following services have a different management fee structure, as follows:

Third-Party Manager Platforms / Model Portfolios

Elite provides model portfolios through platforms used by independent third-party managers. These

arrangements are also referred to as White Label services. As of December 31, 2019, Elite participated in Schwab's Manager Platform and Interactive Brokers' Manager Platform (each a "Platform" and collectively the "Platforms") but may enter into additional such arrangements at any time.

The fee schedule for arrangements where Elite is responsible for implementing (i.e., trading) the model portfolio on behalf of participating accounts is:

• Up to \$100M	=	0.60% annually
• Next \$50M	=	0.55% annually
• Anything over \$150M	=	0.50% annually

Elite also provides non-discretionary model portfolios where the Platform, in its sole discretion, is responsible for implementing the model and any changes thereto.

Elite's fee schedule for such model programs is:

• Up to \$100M	=	0.30% - 0.35% annually
• Next \$50M	=	0.25% - 0.30% annually
• Anything over \$150M	=	0.20% - 0.25% annually

In each case, the Platform calculates Elite's management fee daily and pays Elite quarterly, in arrears. Because the management fee is calculated daily, contributions/withdrawals are, by nature of the daily calculation, prorated based on any cash flows during the period.

In addition to Elite's management fee, Clients are responsible for the custody/brokerage fees and/or certain charges assessed by Schwab or IB (together referred to as the "Financial Institutions"). These fees are detailed in each Client's account agreement with Schwab or IB, as well as the materials included in their account onboarding package.

B. Fee Billing

Investment Management Fees

For Direct Clients at Schwab, Elite's investment management fee is billed quarterly, in advance, based on the market value of the Client's account as of the last business day of the prior quarter. Management fees are prorated to account for contributions/withdrawals during the quarter. For Direct Clients at IB, Elite's management fee is calculated and accrued by IB daily and Elite can withdraw such fees at any time after IB posts them to the Client's account. Because IB calculates Elite's management fee daily, contributions/withdrawals are, by nature of the daily calculation, prorated based on any cash flows during the period. Both Schwab and IB are responsible for valuing the securities held in Client accounts.

Elite's Account Management Agreement with its Direct Clients as well as Elite's separate master agreement with each Financial Institution authorizes Elite to debit its investment management fee from the Client's account. Schwab and IB send account statements to Clients on a monthly basis which reflect the deduction of Elite's investment management fee. Clients are responsible for verifying the accuracy of the fee. On a periodic basis, Elite reviews the custodian's fee calculation for accuracy.

As noted above, the model Platforms calculate the investment management fees daily and pay Elite quarterly, in arrears. Because investment management fees are calculated daily, contributions/withdrawals are, by nature of the daily calculation, prorated based on the cash flow date.

C. Other Fees and Expenses

Clients incur certain fees or charges imposed by the Financial Institutions for custody and brokerage services / trade execution. The investment management fee charged by Elite is separate and distinct from these costs.

In addition, when Elite invests Client assets in mutual funds and exchanged traded funds, there are fees and expenses associated with such investments which are built into their net asset value. These fees and expenses are described in each fund's prospectus or similar such document and are separate and distinct from Elite's investment management fee. To understand the total fees paid, Clients need to understand the fees and expenses charged by mutual funds and ETFs. A Client could invest in most of these products directly but would not receive the services provided by Elite which are designed, among other things, to assist the Client in determining which products or services are most appropriate based on the Client's financial condition and investment objectives.

Lattice Capital Management – Private Funds

As appropriate based on a Client's qualifications and investment objectives, Elite may recommend that eligible Clients invest in private funds sponsored and managed by its affiliate, Lattice Capital Management, LLC ("Lattice"). Lattice also serves as the general partner for these funds (the "Lattice Funds"). The Lattice Funds charge an annual management fee of 1.50% (payable to Lattice), a special profit allocation fee of 10% (payable to Lattice), and a performance fee of 9%, which is set-up as a fund expense and payable to the Funds' portfolio manager, Kevin Lennil.

The Lattice Funds' fees and expenses are described in detail in each Fund's governing documents (Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement), or their equivalent depending upon the Fund's legal structure.

Recommendations to invest in the Lattice Funds create a conflict of interest due to the common ownership of Elite and Lattice. In addition, unlike Elite, the Lattice Funds charge performance-based fees. As a result, total compensation may be larger than it would otherwise have been as performance fees are based on Fund performance and are in addition to the Funds' investment management fee. Clients are not obligated to implement recommendations made by Elite to invest in the Lattice Funds. In addition, Elite does not include the value of a Client's assets invested in the Lattice Funds in the calculation of Elite's investment management fee.

D. Advance Payment of Fees and Termination

As noted above, for Direct Clients, Elite is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with Elite, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment management fees up to and including the effective date of termination. Upon termination, Elite will refund any unearned, prepaid investment management fees from the effective date of termination to the end of the quarter.

E. Compensation for Sales of Securities

Elite does not receive any compensation for securities transactions in Client accounts.

Item 6 - Performance Fees

Elite advisory fees are not typically based on a share of an account's capital gains or capital appreciation. Lattice earns performance fees as described in Item 5 – Fees and Compensation (Section C – Other Fees and Expenses; Lattice Capital Management – The Lattice Funds). Certain Supervised Persons of Elite are also Supervised Persons of Lattice and receive compensation based on performance fees charged by Lattice. This creates a conflict of interest for Elite Clients that invest a portion of their assets in the Lattice Funds. Elite Clients are not obligated to accept recommendations to invest in the Lattice Funds. Please refer to the offering documents of the Lattice Funds for details on the Funds' performance fees.

Item 7 - Types of Clients

Elite provides investment advisory services to individuals, high net-worth individuals and other financial services firms or third-party managers. The relative percentage of each type of Client is available on Elite's Form ADV Part 1A. These percentages will change over time. Elite generally does not impose a minimum account size for establishing a relationship but may impose a minimum account size for participation in certain of its investment strategies. Each strategy has defined its minimums within its related documentation and is negotiable at Elite's discretion.

Elite also participates in model-based managed account programs for which Elite provides the program sponsor non-discretionary investment advice through delivery of a model portfolio. The model-based program sponsor is responsible for investment decisions and performing many other services and functions typically handled by Elite for its direct Client accounts. Because a model-based program sponsor generally exercises investment and brokerage discretion, performance and other information relating such services is generally provided for informational purposes only and may not be representative of model-based program Client results or experience. Elite is not responsible for overseeing the provision of services by a model-based program sponsor and cannot assure the quality of any such services.

Item 8 - Methods of Analysis, Sources of Information, Investment Strategies Risk of Loss

A. Methods of Analysis

Elite primarily employs fundamental, technical, cyclical, and charting analysis methods in developing and selecting investment strategies for its Clients. Research and analysis from Elite is derived from numerous sources, including financial media companies, third-party research materials, Internet sources and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps Elite in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. Elite monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on Elite's account review process are included below in "Item 13 – Review of Accounts".

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to Clients. Technical analysis may involve the use of charts to identify market patterns

and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Elite will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Elite is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps Elite in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. Elite monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

Investment strategies used to implement investment advice include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin transactions
- Option writing, including covered options, uncovered options or spread strategies

B. Risk of Loss

Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk.

Although Elite advises assets in a manner consistent with their respective risk tolerance, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the risk of loss.

Market Risks

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser competes with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Adviser's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological, and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals, or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Investment Risks

Portfolios may invest substantially all of their available capital principally in securities, engage in short sales of securities and trade in options (including covered and uncovered puts and calls and over-the-counter options) and other derivative instruments, private securities and money market instruments. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. The Fund's portfolio may not generate any income or appreciate in value.

Portfolio Turnover. The investment strategy of the Portfolios may require active trading of the portfolio, and as a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

Lack of Diversification. The portfolios may not be widely diversified among sectors, industries, geographic areas, or types of securities. Further, the portfolios may not necessarily be diversified among a wide range of issuers. Accordingly, the portfolios may be subject to more rapid change in value than would be the case if the Investment Vehicles were required to maintain a wide diversification among companies or industry groups.

Short-Sales. Elite may sell securities short. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Options and Other Derivative Instruments. Elite may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by Elite. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies, or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, and trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

ETF Risk. The risk that the value of an ETF in which a Strategy invests will be more volatile than the underlying portfolio of securities the ETF is designed to track, or that the costs to the fund of owning shares of the ETF will exceed those the fund would incur by investing in such securities directly.

Leveraged and Inverse ETF Risk. For some of its Strategies, Elite may invest in “leveraged” or “inverse” ETFs. Leveraged ETFs use borrowed capital to increase their buying power and magnify their investment returns. Although the use of leverage may increase returns in times when investment performance is positive, leverage can also magnify losses in times when investment performance is negative. Inverse ETFs use a variety of investment techniques (such as short sales, buying put options) to gain short exposure to the securities markets by moving in the opposite direction to the index or other benchmark the inverse ETF is based on. Inverse ETFs may also be leveraged. The use of these leveraged and inverse ETFs in some of Elite’s Strategies may increase the volatility of these Strategies and the risk that a Client may suffer a significant loss. There is also a risk that inverse and leveraged ETFs may not achieve their stated objectives on any given trading day.

Sector Concentration Risk. The risk that events negatively affecting an industry or market sector in which the Strategy invests will cause the overall value of the Strategy to decline. To the extent that some of the Strategies invest significant portions of their portfolio in ETFs representing particular markets or sectors (such as Energy, Healthcare, Real Estate, etc.) or in an ETF representing U.S. Treasuries, the Strategy is more vulnerable to conditions that negatively affect such sectors as compared to an investment strategy that is not significantly invested in such sectors.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Leverage. The Portfolio will use leverage by engaging in short sales, entering into swaps and other derivatives contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, the use of leverage requires the pledging of assets as collateral. Margin calls or changes in margin requirements can cause the Portfolio to be required to pledge additional collateral or liquidate the Portfolio holdings, which could require the portfolio to close positions at substantial losses that would not otherwise be realized.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact

on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rates the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social, and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly, and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile, and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Alternative Investments (Limited Partnerships). The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. A Client should only have a portion of their assets in these investments.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities,

commodities, other financial instruments, and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

Regulatory Risks

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest. In the administration of Client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the Client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and Client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a Client and the securities used to implement the investment strategy, Clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Reliance on Management and Key Personnel. Investors have no right or power to take part in the management of Elite. Accordingly, no investor should invest with Elite unless such investor is willing to entrust all aspects of management to Elite. The investment performance of Elites portfolios depends largely on the skill of key personnel of Elite, including, any sub-advisors. If key personnel were to leave Elite, it might not be able to find equally desirable replacements and the performance of the Elite portfolios could, as a result, be adversely affected.

Security Specific Risks

Currency. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Lack of Registration. Interests in private funds (including the Lattice Funds) have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

Withdrawal of Capital. The ability to withdraw funds from private funds (including the Lattice Funds) is usually restricted in accordance with the withdrawal provisions contained in the relevant fund's offering memorandum, limited partnership agreements and other governing documents. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's

assets and/or disrupting the fund's investment strategy.

Item 9 - Disciplinary Information

There are no legal, regulatory, or disciplinary events involving Elite or any of its employees. Elite and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any investment adviser or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 132122.

Item 10 - Other Financial Industry Activities and Affiliations

Elite is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, or commodity pool operator.

Lattice Capital Management, LLC

Ali R M Dadgar is the Chief Executive Officer of Elite and the Managing Member of Lattice Capital Management, LLC ("Lattice"), an affiliated, SEC-registered investment adviser. Elite and Lattice share Supervised Persons and, with respect to certain Supervised Persons, also share office space. Elite may recommend that eligible Clients invest a portion of their assets in the funds sponsored and managed by Lattice (the "Lattice Funds"). This may cause a conflict of interest as the Lattice Funds charge their own investment management and performance-based fees. Clients of Elite are under no obligation to implement Elite's recommendation and Elite does not charge investment management fees on any investments in the Lattice Funds.

These and other persons associated with Lattice and Elite have fiduciary duties both to Elite's Clients and the Lattice Funds. Their multiple roles may create conflicts of interest in selecting, negotiating, and managing investments for the Lattice Funds and Elite's Clients. These persons may give different or conflicting advice to the Lattice Funds and the Elite's Clients, depending on each Client's investment considerations. They may be subject to compliance policies and trading restrictions imposed by Elite that may have the effect of restricting their investment activities and the investment activities of the Lattice Funds. Elite and Lattice may not be able to buy or sell certain securities at certain times or take other action that might benefit Elite's Clients and the Lattice Funds because of confidential information acquired or other trading limitations or compliance obligations. Elite and Lattice may have conflicts of interest over the amount of time they devote to each entity. This conflict may be mitigated as certain Supervised Persons of Elite and Lattice share the same office location.

Item 11 – Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

A. Code of Ethics

Elite has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics (the "Code") applies to all individuals subject to Elite's compliance program ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to our Clients. The Code covers a range of topics that address employee ethics and conflicts of interest. Elite and its Supervised Persons owe a duty of loyalty, fairness, and good faith towards each Client. Supervised Persons are required to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. To request a copy of Elite's Code of Ethics, please contact us at (425) 828-4300 or by email at info@elitewm.com.

B. Personal Trading with Material Interest

Elite does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Elite allows its Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we invest in Client accounts presents a potential conflict of interest that, as fiduciaries, we must disclose and mitigate through policies and procedures. As noted above, Elite has adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading controls around (1) material non-public information and (2) personal securities transactions and reporting. When trading for personal accounts, Elite's Supervised Persons may have a conflict of interest if trading in the same securities as Clients. This risk is mitigated by the requirement to pre-clear and report personal securities transactions. In addition, personal securities transactions and reporting are periodically reviewed by the Chief Compliance Officer ("CCO") or their designee.

D. Personal Trading at Same Time as Client

While Elite allows its Supervised Persons to purchase or sell the same securities that may be held or recommended for purchase on behalf of Clients, such trades are typically aggregated with Client orders or placed after Client orders have been completed. Additionally, all Supervised Persons must pre-clear their personal trades with the CEO.

Item 12 - Brokerage Practices

A. Recommendation of Brokers/Custodians

Elite recommends that Clients establish their account(s) at Charles Schwab & Co, Inc. ("Schwab") or, in the case of large accounts with concentrated positions requiring portfolio margin, at Interactive Brokers LLC ("Interactive Brokers") (each an "Advisor Services Platform"). Elite may recommend an Advisor Services Platform based on criteria including, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, access to Client records, trading support technology, and/or platform's reputation. These platforms serve independent advisory firms like Elite. They provide access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to their retail customers. The Advisor Services Platforms also make available various support services. Some of those services help Elite manage and administer Client accounts while others help us manage and grow our business. The Advisor Services Platforms make software and other technology available that: provide access to Client data (such as duplicate trade confirmation and account statements); facilitate trade execution and allocate aggregated trade orders for multiple accounts; provide pricing and other market data; facilitate payment of our fees from Clients' accounts; and assist with back-office functions, recordkeeping, and Client reporting.

The availability of these services benefits Elite because we do not have to produce or purchase them. This creates an incentive to recommend that our Clients maintain their account(s) at such platforms. However, we believe that our selection is in the best interests of our Clients and is primarily supported by the scope, quality, and price of the services provided by the Advisory Services Platforms and not just the services that benefit Elite. Please see Item 14 – Client Referral and Other Compensation below for additional details regarding the economic benefits Elite receives through its relationships with the Advisor Services Platforms.

Clients authorize Elite to direct trades to the Advisor Services Platform as agreed in their Account Management

Agreement with Elite. Elite may only begin managing a Client account after the Client has arranged for and furnished Elite with all information and authorization at the account's custodian (Advisor Services Platform).

Neither Elite nor any of its representatives will have the authority to withdraw funds or to take custody of Client funds or securities, except the authorized deduction of Elite's management fees for its Direct Clients.

Directed Brokerage

All Clients are serviced on a "directed brokerage basis" and Elite places trades with their respective Advisory Services Platform. Elite will not engage in any principal transactions (i.e., trade of any security from or to Elite's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account). By trading through Clients' custodians, Elite will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Advisory Services Platform. Clients may be subject to higher costs due to directed brokerage.

B. Aggregating and Allocating Trades

Elite may purchase and/or sell the same security for accounts placed in Elite's various strategies. When possible, Elite may also aggregate the same transaction in the same securities for many Clients which Elite has discretion to direct brokerage. Clients with trades not participating in an aggregate transaction may incur higher costs for trades executed and Elite will endeavor to use block trading when appropriate. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any. Elite may aggregate the same transactions in a similar security in separate blocks for each strategy. Elite will execute the trade blocks in a way that does not consistently advantage or disadvantage any particular Client account(s).

If more than one price is paid for securities in an aggregated transaction, each Client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If Elite is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, Elite will allocate the filled portion of the transaction to Clients based on the initial pre-allocation or other written statement. This will be done in a way that does not consistently advantage or disadvantage any particular Client account(s).

With respect to Elite's participation in model-based programs, Elite provides its model portfolios to such programs on the same day as, but prior to, trading on behalf of its direct discretionary Clients. The recommendations implicit in the model portfolios reflect recommendations being made by Elite contemporaneously to its similarly situated discretionary Clients. While Elite does not have transparency into when or whether such platforms place trades based on Elite's models, to the extent the model program initiates trades upon receipt of the model, such trades may result in market impact that, depending upon the facts and circumstances, could impact a security's price, positively or negatively (if at all), depending upon, among other things, market volume, security type, and trading frequency. As a result of this practice, Elite's direct Clients may receive prices that are more or less favorable than those obtained by the model-based program accounts.

C. Trade Errors

If Elite makes an error in the course of implementing an investment decision, Elite will seek to correct the error promptly upon discovery and in a way that seeks to mitigate any losses. Elite will bear the costs associated with correcting an error. Elite does not net gains and losses associated with multiple errors related to separate investment decisions but gains and losses stemming from the same or interrelated investment decisions may be netted, depending upon the facts and circumstances.

Elite is responsible for its own errors and not the errors of other third parties including the Client's custodian. Elite may assist, to the extent possible, with the appropriate correction of errors committed by third parties. For example, to the extent Elite can demonstrate that the third party was partly or entirely responsible for a trade error, Elite will ask that broker-dealer to bear part or all of the cost of the error. If the broker-dealer is unwilling to make Clients whole for the error, Elite will inform the impacted Clients of the broker-dealer's position.

Item 13 - Review of Accounts

Accounts are reviewed on a regular, ongoing basis, with formal reviews occurring quarterly. Elite encourages Direct Clients to meet with Elite on a quarterly basis, but depending upon the needs of the Client, such meetings can occur semi-annually or annually. When meeting with Direct Clients, Elite will review their account performance, discuss any changes in the Client's financial circumstances, as well as suggested reallocation of assets whether based on market conditions, the Client's risk tolerance, or changes to their financial condition and/or investment objectives.

Direct Clients receive account statements from their custodian on a monthly basis which include the account's market value, holdings, and transactions.

Platform Clients receive reports directly from the third-party manager and such managers determine the frequency and content of such reports.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by Elite

Support Provided by Advisor Services Platforms

Elite receives an economic benefit from Advisor Services Platforms in the form of support products and services they make available to Elite and other managers whose Clients maintain their accounts on such Platforms. In the case of Schwab, once the value of our Clients' assets in accounts at Schwab reach a certain level, Schwab has agreed to pay for certain products and services for which Elite would otherwise have to pay, for example certain compliance, legal, and business consulting services as well as publications and conferences on various topics. These products and services, how they benefit Elite, and the related conflicts of interest are described above under "Item 12 – Brokerage Practices".

B. Client Referrals from Solicitors

Elite may, from time to time, enter into written agreements with certain individuals and entities who will solicit Clients for Elite. Each solicitor must enter into a written agreement with Elite and receives a portion of the total fee paid to Elite for managing the account. The Client is not charged additional investment management fees as a result of these arrangements. Such Clients are provided with an additional disclosure statement listing compensation to be paid to the solicitor prior to or at the of signing Elite's investment advisory agreement.

Item 15 - Custody

Elite does not accept or maintain custody of any Client accounts, except for the authorized deduction of Elite's management fee. All Clients that wish to have Elite provide investment management services must place their

assets with a qualified custodian. To that extent Clients must place their assets with either Charles Schwab or Interactive Brokers, per the Investment Advisory Agreement. Elite encourages Clients to review statements provided by the custodian. For more information about custodians and brokerage practices, see “Item 12 – Brokerage Practices.”

Item 16 - Investment Discretion

Elite generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Elite. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Elite will be in accordance with each Client's investment objectives and goals.

Item 17 - Voting Client Securities

Elite does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from their custodian. Elite will assist in answering questions relating to the background and intent of proxies received, however, the Client retains the sole responsibility for proxy decisions and voting.

Clients may obtain details regarding Elite's proxy voting policies and procedures by contacting us at (425) 828-4300 or by email at info@elitewm.com.

Item 18 - Financial Information

Neither Elite, nor its management, have any adverse financial situations that would reasonably impair the ability of Elite to meet all obligations to its Clients. Neither Elite, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Elite is not required to deliver a balance sheet along with this Disclosure Brochure as Elite does not collect fees of \$1,200 or more for services to be performed six months or more in advance.