



## Form ADV Part 2A Investment Advisor Brochure

January 16, 2025

This Brochure provides information about the qualifications and business practices of Altes Capital, LLC. If you have any questions about the contents of this Brochure, please contact Brian Altenburg (646) 547 9080 or [brian.altenburg@altescapital.com](mailto:brian.altenburg@altescapital.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, the use of the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

Additional information about Altes Capital, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 Material Changes

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Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Altes Capital, LLC has no material changes to report.

In December 2024, the firm changed its legal name from Highmore Capital, LLC to Altes Capital, LLC.

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## Item 4 Advisory Business

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### Firm Description

Altes Capital, LLC ("Altes" or the "Firm") is an alternative investment management firm headquartered in New York City. The firm manages private investment funds, and direct investments with a particular focus on tax optimized alternative investments. Altes works with registered investment advisory firms, entrepreneurs and with accounting firms and financial advisors through Altes' Professional Alliance Group. The firm is a limited liability company founded in 2024 by a senior team with long-shared professional experience in the construction and management of alternative investments.

### Firm Philosophy

The Altes investment philosophy is based on the belief that thinking differently can drive enduring and impactful value. At the core of the Altes investment approach is a belief that the mainstream investment industry's focus upon maximizing investment returns alone is not enough, and that it misses critical components of differentiated investments and maximizing after-tax capital for taxable investors.

With the realization that for most investors' taxes are the greatest potential cost to an investor, our approach aims to optimize taxes and investments simultaneously. Despite the importance of tax optimization, tax considerations are often an afterthought for most investors in considering investments. For Altes, our alpha is centered on the optimization of four components: investment returns, tax, differentiation, and impact. We believe these variables should be considered in unison to enhance the long-term wealth of our investors.

### Firm Focus

Our expertise in alternative investments and the creation of innovative investment structures supports our approach to investing. Through tax-optimized strategies, sourcing exclusive off-market opportunities, and implementing forward-thinking investment structures, we go beyond the conventional to challenge the status quo and deliver smarter, more creative solutions.

Altes provides investment management and sub-advisory solutions through the management of our own investment funds and structures, as well as through partnerships with a select number of alpha-driven teams and opportunities. Altes manages each Investment pursuant to the investment strategy and restrictions described in the prospectus of the relevant investment, or as guided by our clients for customized solutions.

The Altes approach is rooted in a deep understanding of the alternative investments' universe, creative investment structuring, and the application of innovative data-driven investment

analytics. The firm was founded by a team of PhDs with research expertise in the areas of complex data analysis, and a shared professional experience of over 20 years. In addition, the team brings extensive senior management experience of alternative investments at some of the world's most innovative investment managers, such as the Man Group, Merrill Lynch, and Citigroup.

Altes manages investment funds and solutions for a diverse base of taxable and non-taxable clients. For taxable clients, we work with entrepreneurs, registered investors advisory firms, family offices, and professional advisors for ultra-high-net worth investors seeking differentiated tax optimized investment strategies, solutions, and planning. For non-taxable and institutional, non-profit, or international clients, our value-add is through the differentiated set of investment offerings for which we provide access.

### **The Altes Approach**

The Altes approach to investing focuses on optimizing four variables:

- 1) **Performance** - We believe that a focus on the potential for strong performance as identified through our proprietary data-driven approach is a necessity;
- 2) **Tax** - Taxes are often the largest cost any taxable investor has. As a result, we believe that a focus on tax optimization of investments as much as the investment opportunity itself is essential;
- 3) **Differentiation**– We believe that investing in differentiated, uncorrelated, market opportunities and the application of innovative, differentiated investment structures has the ability to enhance alpha and long-term returns;
- 4) **Impact** – We believe that finding investment opportunities that have the potential for meaningful impact in the marketplace supports both our focus on differentiation and potential investment returns.

Core Investment offerings for Altes are comprised of the following areas:

### **Investment Management – Private Investment Funds**

The Altes private investment funds are guided by the investment objective and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, and/or subscription agreements, as the case may be (each and collectively, the "Governing Documents").

For such investments, Altes serves as the general partner, managing member, or sub-manager of and/or the investment adviser to, certain private investment funds, including the SALI Multi-Series Fund XIV, Insurance Dedicated Fund, Pan Altes Multi Strategy L.P., and Pan Altes Mult Strategy,

Ltd.

Such funds are available for investment only by institutional investors and other sophisticated, high-net-worth investors, who meet the eligibility requirements of the applicable fund set forth in its Governing Documents. Each such fund is exempt from registration as an investment company under the U.S. Investment Company Act, as amended (the "Investment Company Act"), under Section 3(c)(1) or 3(c)(7) thereof.

### **Real Estate**

Altes manages private investment real estate funds, direct real estate investment opportunities, and customized real estate solutions for our investors. We partner with experienced sponsor/operators having highly specialized real estate teams across products and investment structures including direct and pooled investments. Real estate is often one of the best tax optimized investment solutions, and our team has developed an approach within real estate focused on identifying compelling, off-market investment opportunities, which have the added benefits of being tax optimized when structured appropriately. Our team has developed a specialization in the opportunity zone investment segment in particular. Through its opportunity zone funds, Altes provides investors access to differentiated, off-market real estate investments in high-growth locations benefiting from a tax optimized approach.

### **Insurance Dedicated Funds and Private Placement Life Insurance**

The use of Private Placement Life Insurance Policies are compelling tools which should be considered by ultra-high-net worth investors, particularly entrepreneurs. Through the use of Private Placement Life Insurance Policies, our team manages investment portfolios via our Insurance Dedicated Funds which allow our team to construct, on behalf of our clients, differentiated and tax optimized investment portfolios. As noted above, Altes serves as the sub-manager to the SALI Multi-Series Fund XIV, Insurance Dedicated Fund.

### **Altes Tax Optimized Cash Management**

Cash management is a critical part of any major investment portfolio, but often the management of a portfolio's cash allocation is an afterthought. We believe that security, absolute returns, and tax optimization should be part of any cash management strategy. Altes works with investors to provide cash management services that are segmented by client time horizon and liquidity requirements.

### **Professional Alliance Group (PAG)**

The Altes Professional Alliance Group is centered on collaboration between accounting firms,

attorneys, insurance professionals and financial advisors. Through these relationships, we bring support, additional expertise, solutions, and revenue streams to these relationships – with a particular focus on tax optimized alternative investments. At its core, PAG operates on a simple belief: enable certified public accounting firms and financial advisors to broaden their service offerings by integrating wealth management and diverse financial services through a strategic partnership with Altes. Our approach ensures that partners not only receive financial guidance but also receive a holistic level of service marked by heightened communication, transparency, and education. Our intention is to bring well-conceived, differentiated, tax optimized investments and education to our partners with the belief that if we do well by our PAG partners, it is in the long-term service of their underlying clients.

### **Assets Under Management**

As of December 31, 2024, Altes Capital LLC had assets under management of \$3,075,046,563 which was comprised of total regulatory assets under management of \$1,250,612,563, and advisory assets of \$1,824,434,000.

### **Item 5 Fees and Compensation**

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Through its private funds, Altes charges a percentage of assets under management to clients for management of those assets. Certain clients may also be charged a performance-based fee, specific to each fund or investment. Both asset-based and performance-based fee and account minimums may be negotiable based on factors including size, responsibilities involved, type of relationship, etc.

### **Portfolio Management Services**

The annual fee for portfolio management services varies depending upon the market value of an investor's assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. However, portfolio management services involving both discretionary and non-discretionary management are typically no more than 2% of assets under management and are generally payable monthly in arrears and deducted directly from the client's account. Under certain circumstances, Altes may also charge a performance-based fee for qualified accounts based on a share of capital gains on or capital appreciation which is further described in Performance-Based Fees and Side-By-Side Management. However, services mentioned above, the fees charged, and the method by which fees are charged are negotiable and are detailed in each investment management or fund agreements. Altes's fees are separate from custodial fees, fund expenses and brokerage transactions which clients may pay in connection with the services that we provide. Please also see the Brokerage Practices section of this brochure.

Clients may terminate the portfolio management agreement upon written notice to our firm for customized portfolios. However, clients invested in private funds or direct investments may be subject to a lock-up provision as described in the relevant offering documents.

If a client's investment management agreement is terminated or a withdrawal is made from a client account during a period, the fee payable to the Firm will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the period in which the investment management arrangement was in effect.

Altes imposes a minimum of \$10,000,000 for personal accounts and \$50,000,000 for institutional accounts (these minimums are negotiable and can be waived at our discretion).

### **Advisory Services Offered to Private Funds**

Specific information regarding our advisory fees as they relate to private funds can be found in the applicable Private Offering Memorandum or offering documents. All fees and expenses assessed to the private funds are fully disclosed to investors in the respective private fund's Private Placement Memorandum or offering documents and in Investor Subscription documents.

In addition to advisory fees, the Firm may also receive a performance-based allocation based on a share of capital gains on or capital appreciation of the Private Fund's assets.

Our Private Fund's minimum subscription amount is generally \$500,000 for individuals and \$2,000,000 for institutions (these minimums may be negotiable and may be waived at the investment manager's discretion).

Investment advice we provide to private funds is under a separate agreement. We may recommend investments in the private funds we manage for our client accounts. Therefore, as a client of our firm, you are advised that we will receive compensation from private funds where we act as the adviser and that a conflict of interest exists when investing your assets in the funds we advise. We will only make such investments where we believe it is consistent with our fiduciary duty and your investment objectives. We will earn fees from the private funds for investments made in the private funds we advise and may earn separate fees from you for asset allocation, monitoring, and other services. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by private funds. For tax-qualified accounts with assets invested in the private fund, the advisory fee on such assets will be offset by the amount of the management fee paid to us by the private fund.

### **Altes Tax Optimized Cash Management**



Altes tax optimized cash management services fees are negotiated based on a number of factors including size, responsibilities involved, type of relationship, etc.

### **Insurance Related Products**

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these agents are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractual or otherwise, to purchase insurance products through any person affiliated with our firm.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

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Altes provides investment management services to multiple clients and is paid performance-based compensation by certain client accounts, including the Private Funds and qualified clients. When Altes manages more than one client account, a potential conflict of interest may exist when clients are charged different types of fees. One client account may be favored over another, and there may be a greater incentive to favor client accounts that pay the Firm (and indirectly the investment team) performance-based compensation or higher fees.

The Firm has adopted and implemented policies and procedures intended to address potential conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. Performance-based fees paid by private funds are described in the offering documents and qualified clients' fees are described in the investment management agreement. However, performance-based fees are typically based on a share of the capital gain on or capital appreciation. These fees are generally payable annually in arrears and are only paid after a high-water mark has been achieved.

## **Item 7 Types of Clients**

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Altes's clients consist of entrepreneurs, registered investment advisory firms, family offices, and accountants and financial advisors through our Professional Alliance Group. The Firm imposes a

minimum of \$10,000,000 for individuals and \$50,000,000 for institutions to open an account (these minimums are negotiable and can be waived at our discretion see Item 5 - Fees and Compensation). Private fund minimum subscription amounts vary depending on the private fund. See the offering documents for more information.

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

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### **Methods of Analysis**

As noted under Item 4, the Altes approach to investing focuses on four variables:

**1) Performance** - We believe that a focus on the potential for robust performance as identified through our proprietary data-driven research approach is a necessity.

**2) Tax Optimization** - Taxes are often the largest cost any taxable investor has. As a result, we believe that a focus on tax optimization of investments as much as the investment opportunity itself is essential;

**3) Differentiation** - We believe that investing in differentiated, uncorrelated, market opportunities and the application of innovative, differentiated investment structures has the ability to enhance alpha and long-term returns;

**4) Impact** – We believe that finding investment opportunities that have the potential for meaningful impact in the marketplace supports both our focus on differentiation and potential investment returns.

These four areas target both the areas and types of analysis we may pursue. Also, as a firm founded by partners with PhDs in quantitative analysis, the firm has a highly structured and quantifiable approach to investment selection, investment analysis, market analysis and portfolio construction. Our proprietary approaches to analysis in each of these areas are not only driven by over 100 years of combined investment experience where the team was responsible for the creation and implementation of complex and innovative methods of analysis.

### **Investment Strategies**

Investment strategies are focused on the management and selection of differentiated, off-market investments which have the ability to generate compelling returns in a tax optimized structure.

Investment strategies may include private funds, direct investment, or customized solutions.

These investments may fall into one of the following areas:

- Real Estate
- Private Placement Life Insurance Portfolios/ Insurance Dedicated Funds
- Tax Optimized Cash Management

### **Risk of Loss**

All investments have the potential for complete loss. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the firm's private investment funds or separately managed accounts advised by the Firm.

These risk factors include only those risks the Firm believes to be material, significant or unusual and relate to significant investment strategies or methods of analysis employed by the Firm. The risk factors below may not be applicable to all clients. With respect to Altes Fund's, prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the relevant Fund's offering document.

### **Specific Risks**

**Geographic Risk:** Performance could be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions in the countries or regions in which an underlying fund or direct investment is made and could be more volatile than the performance of more geographically diversified funds.

**Hedging Risk:** The Firm may, on behalf of client accounts, utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, and forward contracts, for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) enhance or preserve returns, spreads or gains (including unrealized gains) on any investments in its portfolio; or (iii) hedge the interest rate or currency exchange rate on any of its liabilities or assets.

The Firm may not anticipate a particular risk to hedge against it. In addition, hedging transactions may result in a poorer overall performance for the client than if it had not engaged in any such hedging transaction. The success of the hedging strategy of the client is subject to the Firm's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Firm's hedging strategy is also subject to the Firm's ability to continually

recalculate, readjust and execute hedges in an efficient and timely manner.

**Liquidity Risk:** Liquidity risk is the risk that holdings which are considered to be illiquid may be difficult to value. Illiquid holdings also may be difficult to sell, both at the time or at the price desired.

**Real Estate Risk:** The Firm's investments will be subject to the risks inherent in the ownership of real estate assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, adverse local market conditions, the financial conditions of tenants, buyers and sellers of properties, changes in building, environmental, zoning and other laws, changes in real property tax rates, changes in interest rates and the availability of debt financing, changes in operating costs, negative developments in the local, national or global economy, risks due to dependence on cash flow, environmental liabilities, uninsured casualties, unavailability of or increased cost of certain types of insurance coverage, acts of God, acts of war (declared or undeclared), hostilities, terrorist acts, strikes and other factors which are beyond the control of the General Partner.

**Regulatory Risk:** Particularly as it relates to tax strategies, investors may be at risk of regulatory changes which may have an impact on particular investment structures or planning strategies which may change or may be eliminated by regulatory changes.

**Risk of Loss:** Investing involves a certain amount of risk of loss that clients should be prepared to bear. Questions regarding these risks and/or increased costs may be directed to Altes and its management.

**Use of Leverage:** The Firm may leverage its investment positions by directly or indirectly borrowing funds from securities broker-dealers, banks, or others. The Firm also may "leverage" its investment return with options, swaps, forwards, and other derivative instruments that are inherently leveraged, and other forms of direct and indirect borrowings.

The amount of borrowings which a client may have outstanding at any time may be large in relation to its capital. The cumulative effect of the use of leverage by the Firm in a market that moves adversely to a client's investments could result in a loss to the client that would be greater than if leverage were not used. These losses may, in turn, result in losses to the client. Although borrowing and use of leverage creates an opportunity for greater yield and total return, it increases the client's exposure. In general, the Firm's use of short-term margin borrowings will result in certain additional risks to the client. For example, should the securities that are pledged to brokers to secure the client's margin accounts decline in value, or should such brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the client account could be subject to a "margin call," pursuant to which the client would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a

precipitous drop in the value of the assets of the client account, it might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses.

## General Risks

**Business Continuity:** The Firm's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although the Firm has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the Firm and investments therein.

**Outbreak Risks:** An epidemic outbreak or pandemic, and reactions thereto could cause uncertainty in markets and businesses, including the Firm's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. The Firm has policies and procedures to address known situations, but because a large epidemic or pandemic may create significant market and business uncertainties and disruptions, not all events that could affect the Firm's business and/or the markets can be determined and addressed in advance.

## Item 9 Disciplinary Information

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Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisors to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the advisor.

Neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

## Item 10 Other Financial Industry Activities and Affiliations

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Altes Properties is a division of Altes Capital, LLC that provides debt and equity investment and asset management in multi-sector commercial real estate. By utilizing core, core plus, value add, and opportunistic strategies combined with Macro and Micro economic analysis, Altes attempts

to deliver attractive risk adjusted returns.

Altes partners with experienced operators having highly specialized real estate teams across products and investment structures including direct and pooled investments.

## **Item 11 Code of Ethics**

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Altes has adopted a code of ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act"). The Firm's Code obligates all its partners and employees ("Access Persons") to put a client's interest over their own. The purposes of the Code are to (i) educate Access Persons about the laws governing their conduct, (ii) remind Access Persons that they are in a position of trust and must act with complete propriety at all times, (iii) guard against violation of the federal securities laws, (iv) protect the Firm's clients by deterring misconduct, and (v) establish procedures for Access Persons to follow so that we can assess whether our Access Persons are complying with our ethical principles. All Access Persons must certify that they have received, read, and understand our Code, annually or as amended.

The firm and its associated persons may trade in the same securities as traded for clients. However, it is the policy of the firm not to give preference to orders for the firm and/or personnel associated with the firm regarding such trading. The firm and/or its employees and members may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts. If a security is purchased or sold for client accounts and the firm and/or its employees or members on the same day, the firm and/or its employees or members will pay or receive the same price as the client account, or the client account will receive the more favorable price. If purchased or sold on different days, it is possible that the firm and/or employees' or members' personal transactions might be executed at more favorable prices than were obtained for clients. The firm and its associated persons may also invest in privately placed investment that it also recommends or invests on behalf of its clients. However, whenever trading such privately placed investments the firm and its associates shall seek to do so *pari passu* or on the same terms as the firm's clients. When associated persons trade privately placed investments at different times than clients a conflict or a perceived conflict of interest may exist. Investments in privately placed investments by associated persons are reviewed and approved in accordance with the firm's Code of Ethics.

The Firm's Chief Compliance Officer monitors compliance with the Code by reviewing the required initial, quarterly, and annual reporting by Access Persons.

Potential or existing Firm clients may request a copy of the Code by contacting Altes Investor Relations at [investor-relations@altescapital.com](mailto:investor-relations@altescapital.com).

## Item 12 Brokerage Practices

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Altes does not generally have discretionary authority to determine the broker or dealer to be used to purchase or sell securities for most client accounts. However, Altes may exercise discretion over certain accounts including assets of registered investment companies for which it is an adviser.

The firm is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather, applicable law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

Therefore, the firm evaluates brokerage services offered on the basis of some or all of the following criteria:

- Execution capability
- Transaction fees and charges
- Effective communications
- Use of electronic efficiencies
- Whether the broker follows a particular security
- Ability to execute and settle trades efficiently
- Willingness to execute related or unrelated difficult transactions
- Client reporting capabilities
- Financial stability
- General reputation

Based upon an evaluation of some or all of these factors, the firm may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. The firm may select broker-dealers whose fees may be greater than those charged for similar investments if the firm determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees. The firm may aggregate orders of more than one client if it is determined that aggregation is in the best interests of the clients. Trade aggregation is usually sought to obtain lower commissions and costs or a better transaction price. The firm does not aggregate securities transactions for client accounts unless it believes that aggregation is consistent with its duty to seek best execution and is consistent with the investment objectives and guidelines for the client accounts participating in the trade.

When orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client on a pro rata basis, based upon the ratio of the amount of particular issue of securities allocated to the account to the overall amount of that issue purchased. It is the firm's policy that trades are not allocated in any manner that favors one

group of similarly- situated clients over another. Client transactions may be aggregated according to the custodial relationship in consideration of execution charges that may be imposed if trades are directed to a non- custodial broker-dealer for execution. Aggregated trades placed with different brokers may be priced differently.

When clients control trading or direct the firm to place transactions with brokerage firms of the client's choosing, the client should note that the firm may be unable to achieve most favorable execution of client transactions. Directing brokerage may cost the client more money, since the client may pay higher brokerage commissions because the firm may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

While Altes does not participate in any formal soft dollar arrangements, the firm may receive services other than execution from brokerage firms when client trades are placed with brokerage firms. These services, as described below, are provided as a benefit to working with the brokerage firm and Altes does not use client brokerage commissions to obtain these services. The firm may receive, without cost to the firm, online access to client accounts, which may include account analysis tools and research. These services allow the firm to better monitor client accounts maintained at the custodial firm. Additionally, the firm may also receive duplicate client confirmations, bundled duplicate statements, and access to a trading desk that exclusively services advisory firms who place client transactions through these brokerage firms.

## **Item 13 Review of Accounts**

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Each individual investment is generally reviewed at least quarterly by the firm's Investment Committee which consists of principals of the Firm, though significant events such as changes in assets, major market movements or macroeconomic events, legal or regulatory developments, a change in business structure, substantive personnel changes at the investment-level and revised investment terms can trigger an immediate review of an investment. Investments are monitored regularly for performance, adherence to investment strategy, changes in personnel, current positioning and outlook, and risk management.

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

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Altes does not receive any economic benefit from any person that is not a client for providing advisory and management services to our clients. Altes may compensate broker-dealers or other persons for client referrals in the form of asset-based fees or fixed referral fees.



## Item 15 Custody

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Affiliates of Altes serve as the General Partner to Private Funds to which Altes Capital, LLC serves as the investment advisor to the funds including the: Altes OZ Fund I, LP, Altes OZ Fund II, LP. The Company is deemed to have custody of the affiliated private funds.

The Company may be deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

Investors in the Private Funds receive audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles within 120 and 180 days (for fund of funds) of each Fund's fiscal year-end.

Each Investment Company has made arrangements with qualified custodians as disclosed in the relevant Prospectus.

## Item 16 Investment Discretion

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Altes may provide investment advisory services on both a discretionary and non-discretionary basis to our clients. When discretion is authorized Altes has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement, offering document and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. The Firm's discretionary authority is provided for in each client's investment management agreement or offering documents.

## Item 17 Voting Client Securities

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Altes does not vote proxy solicitations received on behalf of clients from the issuers of securities held in client accounts. Clients will receive voting materials directly from the broker-dealer and/or the transfer agent of record. The proxy voting guidelines for an Investment Company can be found in its statement of additional information.

The proxy voting guidelines for registered investment company clients can be found in the respective statement of additional information and other similar documents.

## **Item 18 Financial Information**

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Item 18 is not applicable to Altes.